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# TARIFF COMMISSION

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## HEARINGS

BEFORE THE

COMMITTEE ON WAYS AND MEANS OF  
THE HOUSE OF REPRESENTATIVES

61<sup>ST</sup> CONGRESS, 3<sup>D</sup> SESSION

ON

**H. R. 26232 and H. R. 28433**

DECEMBER 13, 1910

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COMMITTEE ON WAYS AND MEANS,  
HOUSE OF REPRESENTATIVES,

SIXTY-FIRST CONGRESS, THIRD SESSION.

SERENO E. PAYNE, CHAIRMAN.

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SAMUEL W. McCALL,  
EBENEZER J. HILL,  
HENRY S. BOUTELL,  
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JOSEPH W. FORDNEY,  
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NICHOLAS LONGWORTH,

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WILLIAM R. ELLIS,  
CHAMP CLARK,  
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EDWARD W. POU,  
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ROBERT F. BROUSSARD,  
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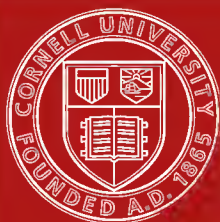
ARTHUR E. BLAUVELT, CLERK.

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## TARIFF COMMISSION.

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COMMITTEE ON WAYS AND MEANS,  
HOUSE OF REPRESENTATIVES,  
*Tuesday, December 13, 1910.*

The committee met at 10.30 o'clock a. m., Hon. Sereno E. Payne in the chair.

Present: The chairman, and Messrs. Dalzell, Hill, Boutell, Needham, Calderhead, Fordney, Gaines, Longworth, Ellis, Clark, Underwood, Pou, and Harrison.

(The committee thereupon proceeded to the consideration of the bill H. R. 26232, "to create a tariff commission"; and the bill H. R. 28433, "to create a tariff commission and defining its powers and duties.")

THE CHAIRMAN. The hearing this morning, gentlemen, is at the request of Mr. Good, of Iowa, in reference to bills creating a tariff commission, etc. The hearing will not be restricted to any one bill, but any gentleman who desires to be heard on the general subject will be heard. I think Mr. Good desired to—Mr. Good, you may state your own desire.

### STATEMENT OF HON. JAMES W. GOOD, A REPRESENTATIVE FROM IOWA.

MR. GOOD. Mr. Chairman and gentlemen of the committee, I have attempted in the bill which I have introduced, H. R. 26232, to work out in detail a tariff commission. I have fashioned the bill somewhat after the interstate-commerce law, but I may say at the outset that I have no pride of opinion or authorship or of opinion with regard to the various details of the bill. It has occurred to me, and I believe it has occurred to a number of the members of your committee, that there ought to be such a commission. It ought to be permanent. It ought to have power to act. With a permanent commission, with power to act, there certainly would be no occasion for remarks from either the floor of the House or from the Senate such as were made by members of this committee on the floor of the House and by Senator Root on the floor of the Senate at the special session of the Sixty-second Congress. I have before me the speech that was delivered by Mr. Hill, of Connecticut, with regard to the manner in which the last tariff bill was made. He speaks with regard to the preliminary work of the committee, the compiling of the publication "Imports and duties," and then he says:

It did not and could not include the difference in the cost of production at home and abroad.

Then he speaks of that other most valuable publication that was compiled under the direction of your chairman entitled "Tariff notes;" and of it Mr. Hill says:

But in this work, as in the others, there was no basis upon which the difference of cost of production at home and abroad could be ascertained.

He further says that there was some effort made to ascertain, through the different departments, these facts, but says:

So far as my knowledge is concerned, this attempt to secure information from foreign sources was a complete and total failure.

This same testimony is found in the record of the proceedings in the Senate, wherein Senator Root said:

We have been here for over three months considering and discussing and voting upon the measure of protection that it is necessary to give in order to keep alive and prosperous the business of tens of thousands of corporations engaged in manufacture and trades affected by the protective tariff.

Upon one hand we have garbled statements; upon the other equally garbled and partial statements; and no means of distinguishing the truth. We are under the necessity of proceeding by guesswork, by conjecture, always with dissatisfaction, because we recognize the chance that we have guessed wrong about whose statements come nearest to the truth.

The bill that I have introduced is comparatively short, and as I said at the outset it provides for two principal things: First, a permanent tariff commission, and, secondly, a commission that has power to investigate the facts and report those facts to Congress.

It seems to me that some such plan is absolutely necessary. By reason of our complex commercial and industrial conditions our knowledge as to the cost of production must be very limited. We can not possibly know all the facts that it is necessary we should know in order to make a tariff bill that will do justice to both the laboring and industrial forces of our country. Past experience has shown us that it is almost impossible to revise the tariff without doing injury to some one, unless we have some commission, some permanent body, with power to investigate cost of production and the changes that are taking place every day regarding such costs and report those changes to this body as a basis for its action.

MR. UNDERWOOD. Have you provided in your bill that they shall give full publicity to their investigations?

MR. GOOD. I provide in the bill that they shall report to Congress, or either branch of Congress, whenever requested so to do; but that, as they are making their investigations, the subjects under investigation shall not be given to the public.

MR. UNDERWOOD. Here is a question that I would like to ask. Does your bill propose for them to report findings of their conclusions to Congress, or findings of fact?

MR. GOOD. Findings of fact, without any recommendation as to the proper course for Congress to pursue.

MR. BOUTELL. You have not discovered, have you, any way of preventing these parties, that Mr. Root refers to, making the same garbled statements to the new tariff board?

MR. GOOD. No; they could make those same statements, but that commission being a permanent tariff commission, with power to investigate, could go out into the different sections of the country, and could go to foreign countries, and investigate those garbled statements, and find out wherein they were garbled and who was telling



the truth and report the fact. That, it seems to me, is the essential part of the duty of a permanent tariff commission; and that is the reason why it should be a permanent commission instead of a commission with a fixed tenure.

Mr. UNDERWOOD. May I ask you another question?

Mr. GOOD. Certainly.

Mr. UNDERWOOD. Do you provide in your bill that they shall conduct their investigations under the direction of either the Ways and Means Committee of the House or the Finance Committee of the Senate or of the executive branch of the Government? Is the investigation provided to be directed from the legislative branch or the executive branch of the Government?

Mr. GOOD. The bill provides that their investigation shall be an independent investigation, but that when the Ways and Means Committee desires they shall sit with that committee and furnish the information. They shall sit with the Finance Committee of the Senate when it so desires, and furnish that committee with information; and they shall furnish the President such information as he may desire in the administration of the tariff laws.

Mr. UNDERWOOD. Here is what I want to find out. Suppose the Ways and Means Committee had concluded to investigate, say, the woolen schedule, and this Commission was investigating the cotton schedule. Is there anything in the bill that would authorize the Ways and Means Committee to call on them and direct them to investigate the subject that the Ways and Means Committee itself desired to take up?

Mr. GOOD. There is nothing in the bill that would give any committee, or the Chief Executive, power to authorize them to do any one thing. They work on their own initiative.

Mr. UNDERWOOD. Do you not think if the bill is passed along this line at all that the Ways and Means Committee, or the House—for the Ways and Means Committee is only an agent of the House—should have power to direct along what line they should make their investigations?

Mr. GOOD. I certainly should have no objection to that. I believe that this commission, when constituted, should have the power to investigate all of the facts, and it should be the servant to the securing of this information for the committee. I would see no objection to a detail of that kind.

Mr. HARRISON. Do you think the House ought to have the exclusive right to direct these investigations, or that the President ought to share in that right?

Mr. GOOD. I should say that the House should not have exclusive right, any more than the Senate—

Mr. HARRISON. I mean the legislative branch, of course. Do you think they ought to have the exclusive right, or that the Executive ought to share that right?

Mr. GOOD. That is a detail to which I have not given consideration. It is a mere detail, and I think it does not make much difference about that. The principal thing, it seems to me, after all, is the creation of a commission with power to act and report to Congress.

Mr. POU. There is one question I would like to hear you address yourself to. The object of the bill seems to be to ascertain the difference in the cost of production here and abroad. Suppose your

commission was abroad and the manufacturers over there should refuse to give the information that you are seeking to get; by what process would you proceed to get that information?

Mr. GOOD. If they should refuse to give information, I do not think it could be secured by any process from that source. It would have to be obtained from other sources.

Mr. POW. So that, I understand, all the information you could possibly get on the other side would have to be purely voluntary?

Mr. GOOD. It would have to be purely voluntary or from published reports and matters of general information in those countries. Of course, I see no way in which such a commission could subpoena witnesses abroad who did not care to respond to subpoena.

Mr. HARRISON. If the gentleman from Iowa will permit me to get a little further information, he seems to regard it as more or less of a detail whether this tariff commission he proposes to create is to be in operation under the direction of Congress or of the Executive. He will remember that in the debate in the House last year that question was a very essential one. Which, in the opinion of the gentleman from Iowa, is the branch of the Government that ought to have the direction of the investigation of this commission?

Mr. GOOD. I think it is more important that the legislative branch should have direction than that the President should have it.

Mr. HARRISON. Does he not think it ought to be an exclusive right?

Mr. GOOD. An exclusive right in the legislative branch?

Mr. HARRISON. An exclusive right in the legislative branch.

Mr. GOOD. I do not think so. I think that if the Executive desired information along some line to aid him in the administration of the tariff laws, that that commission ought to furnish such information.

The CHAIRMAN. The bill provides for that in section 5.

Mr. HARRISON. Suppose there were a Republican President and a Democratic House of Representatives, or vice versa, and the House of Representatives wanted to investigate the woolen schedule and the President wanted to investigate the cotton schedule. What have you to say about the conflict of authority in that case? Would not the right have to be executive or legislative—one or the other?

Mr. GOOD. I do not believe that state would ever come about or that conditions would be such that they could not investigate both in due course of time.

Mr. HARRISON. The gentleman knows how long it takes to revise the tariff, and how searching the investigation must be, and he can see what a conflict would arise. I consider that of a good deal of importance.

Mr. GOOD. In section 5 of the bill I have provided for the information that the commission should furnish to the President with regard to the different lines of investigations that it should pursue.

Mr. HILL. And in section 4 you have provided for the information—

Mr. GOOD. I have provided there for the report to Congress.

Mr. HILL. So that apparently sections 4 and 5 cover precisely the ground asked by Mr. Harrison, do they not?

Mr. GOOD. Except that I think Mr. Harrison's question implied the suggestion that there should be a mandatory provision.

Mr. HILL. Is not that contained in both of the sections, under the language of section 4 so far as the House and Senate committees are

concerned, and under section 5 so far as the President is concerned? Is it not mandatory?

Mr. GOOD. Well, I think perhaps it is broad enough to include any information that either the President or Congress might desire with regard to this question.

I intended to take up the bill and go through the different sections, but I believe that by a casual examination of the bill you will see the plan on which it is drawn. The president of the National Tariff Commission Association is here for the purpose of being heard. I know your time is limited, and I will therefore not take any more of it.

Mr. BOUTELL. I would like to ask you one more question before you leave that matter, and to make one suggestion along the line of Mr. Underwood's question, which I think goes right to the root of one branch of this matter—as to whether the House of Representatives (which under the Constitution, of course, is made responsible for originating revenue legislation), is going to have control of the tariff board as you have it in mind under this bill, so as to be able to call upon them directly instead of doing it through the Executive. Let me give you a concrete illustration. Suppose you were sitting on the Ways and Means Committee and were interested in a certain schedule of a new tariff—we will say a duty on what are called St. Gall laces—and all those who appeared before the committee opposed, ostensibly as importers, the duty on St. Gall laces. Suppose you were quite reliably informed, though not by what would be in the line of proof, that all those importers were, as a matter of fact, foreign manufacturers and exporters—in other words, in exactly the reverse position to that in which they ostensibly appeared before the committee. I give that as a concrete illustration. Does your bill provide for a tariff board upon which the Ways and Means Committee could call for that information?

Mr. GOOD. It does.

Mr. BOUTELL. To make that investigation?

Mr. GOOD. It does.

Mr. BOUTELL. Or would the Ways and Means Committee have to make a request of the executive department and be turned down by the executive department if the executive department did not want to have that information furnished?

Mr. GOOD. I think the bill is broad enough to cover just such contingencies as that—and have the commission furnish that very information that the Congress would want from time to time in order to write a tariff bill free from bias and prejudice and garbled statements, such as Mr. Root mentioned in his speech.

The CHAIRMAN. Mr. Good, you have provided that members of this board should be selected from certain persons, in certain occupations. I got a letter yesterday from a farmer who said that he believed that one of these commissioners should be a farmer, and while he did not suggest it, we all know that the farmers' interest is one of the greatest—the greatest—interests in this country. Ought there to be such a restriction as to what class they should be selected from? Ought not the farmers' class to be considered?

Mr. GOOD. If the number of the board is made large enough, I would say there is no objection to that; but the number being limited to five, the chairman can well see that every particular industry could not be represented on the board.

The CHAIRMAN. No; but I was asking whether you did not consider it of importance that a farmer should be on it? That is one of the most important classes that you have intended to represent in your bill.

Mr. GOOD. I had felt, Mr. Chairman, that while that is a large industry, yet by training and experience the men with the qualifications such as I have mentioned in the bill would be better qualified to deal fairly with every industry than to take a person, for instance, who had given his whole life and study to a single employment or industry.

The CHAIRMAN. I do not expect that we shall ever be able to get any tariff board the members of which are either disinterested or nonpartisan. I do not take any stock in the idea of taking the tariff out of politics. I think it will be in politics as long as I live, and a good deal longer. We can not get any nonpartisan member of a board whose opinion is of any value; and that being the case, and as you designate certain classes, my inquiry is whether you might not also include in that class, perhaps in preference to any that you have designated, the farming class of the community.

Mr. GOOD. For the reasons I have stated, Mr. Chairman, I think I would not insert that class in the bill.

The CHAIRMAN. I want to make one further suggestion in connection with your remarks. It is a popular fallacy that the producing classes only are heard in the formation of a tariff bill, and that the consumer does not appear and is not represented. There is no greater fallacy in this country than that. The consumer is always represented. He is represented by the importer whose interest is with the consumer in so far as the importation of articles is concerned. The cheaper he can get the articles in, the lower the cost, the lower the tariff, the better of course it is for his business; and he is informed as no other class in this country is informed. He is always on hand, he always appears, he always makes his statement, and it receives the same consideration as the statement of the producer. So that the committees of Congress can not hide behind any excuse that only one class appeared before them, and that the consumer does not appear and is not represented.

Of course, the Tariff Board will run up against this proposition—that the parties who do appear are interested on one side or on the other. There is no man who has ever had any large practice as a lawyer who does not know that his witnesses are generally partisan. Their word can not be taken without a full grain of allowance. He must always look into their motives, always cross-examine and endeavor to get at the truth. Take this recent investigation of this tariff. I think no fair-minded, intelligent man will say, who has read through the 10,000 pages of evidence that was produced before this committee, that each man who appeared was not subjected to a fair and thorough cross-examination in order to get at the truth. I have had several men, editors, who had written a great deal of stuff before they attained the knowledge, who said they were surprised when they came to study those pages the thoroughness with which those witnesses were cross-examined.

If there is any way in which a tariff board would fairly go into this matter and bring out the truth, I want the light turned on this tariff question, in every possible direction, to bring out the truth. I

would not like to see the investigation that is already provided for by law turned aside unless it is provided for in some other way. For instance, one of the most valuable pieces of information before this committee last year was the report made by the Bureau of Manufactures in the Department of Commerce and Labor, where the steel manufacturers of the country, making some 93 to 95 per cent of all of the manufactures of iron and steel, had reported for a number of years and had thrown open their books to the examination of this bureau. The bureau had made its report, which was not made public until these hearings began; and I think my associates will agree with me that the facts that were obtained by the Bureau of Corporations in the Department of Commerce and Labor on the question of the subject of steel threw a great deal of light upon the subject, and enabled the committee, when the witnesses appeared before them, to get at facts that they would not have gotten if it had not been for this report. I would like to see, in the same way, that investigation go on all the time in reference to these industries. It would help any future Committee on Ways and Means that might be framing a tariff bill to get at these facts. The Constitution committed to the House of Representatives the origination of tariff legislation, of all revenue legislation, and conferred upon the Senate only the question of amendment. I have always thought that by "amendment" the framers of the Constitution intended only the amendment which was germane to the bill actually presented to the Senate, and not an amendment to a bill providing only for revenue upon one item, which amendment should cover the whole range of revenue legislation. I believe that that was the intention of the framers of the Constitution, that "amendment" there meant what we term now a germane amendment by way of distinguishing it, and that if that policy had been pursued in all our revenue legislation the object of the framers of the Constitution would have been attained by revenue bills originating among the Representatives elected every two years by the people of the United States.

I only throw that in by way of comment on what you have said.

Mr. GOOD. I agree with the premises laid down by the chairman. I can only add in conclusion that it is not the purpose of the bill to take the question of the tariff out of politics, nor do I believe it will weaken the policy of protection. I only claim for it that it will give this committee and Congress power to act upon information that is obtained by an impartial tribunal, and then they can act upon those facts. One of the things, I believe, that has hampered this committee, and has hampered Congress, is the lack of adequate and reliable information. I do not say that in disparagement of the great work of this committee. I believe no committee in Congress has worked more diligently or has put in as many hours at hard work as has this committee, for by the very nature of the things it was incumbent upon it to investigate a great many subjects it did not have the time nor the machinery to better investigate.

The CHAIRMAN. I see that your bill does not suggest a report by this commission as to rates. I think that is a matter peculiarly to be fixed by Congress.

Mr. GOOD. It does not.

The CHAIRMAN. And it can not be delegated and should not be delegated in any way to any tariff board.

Mr. GOOD. No.

The CHAIRMAN. And I think further than that that whatever tariff board is appointed, and however thorough their report, that no committee of Congress having this matter in charge will ever blindly accept their findings. In other words, they will examine into it; and the report must be made good before the committee having this matter in charge. They want to investigate originally before they are prepared to act on the subject.

Mr. GOOD. I thank the committee.

Mr. CLARK. Let me ask you a question. You provide for a non-partisan board, do you not?

Mr. GOOD. I provide for a board the members of which shall be selected without regard to their political affiliations.

Mr. CLARK. Do you think there is anybody in the United States that is fit to investigate the tariff question that has not already some theory about the tariff?

Mr. GOOD. Well, I assume that a man who has strength of character enough and intellect enough to sit on a board or a commission of this kind would have some views on such questions.

Mr. CLARK. How are you going to get a nonpartisan board, then?

Mr. GOOD. I did not say that this bill provided for a nonpartisan board.

Mr. CLARK. What kind of a board is it that you provide for?

Mr. GOOD. A board to be selected by the President without regard to their political affiliations; and I would not object to a provision in the bill providing that not more than a certain given number should be members of any political party.

Mr. CLARK. Why not appoint a board of one man, then? If you leave a majority of one on your board you have as much a partisan board as if the board was made up of one man.

Mr. GOOD. I would not appoint a board of one man, because one man could not do the work any more than this committee is able to do the work.

Mr. CLARK. When you come down to specify who would be on the board, you say: "Two members having special knowledge of the producing interests of the United States." What do you understand by "producing interests?"

Mr. GOOD. That they should have special knowledge with regard to the various producing interests, such as manufactures. Referring to the idea that your chairman has suggested—that of agriculture—if it was thought wise to put a representative of that interest on the commission, that might be done. I mean by "producing interests" any of the interests that are producing, that are generally known as producers.

Mr. CLARK. But that is exactly what I am trying to get at. You are the daddy of this bill. What do you mean by "producing interests?"

Mr. GOOD. Persons having general knowledge with regard to production by manufacture, agriculture, or by any other method.

Mr. CLARK. You hear in later years a kind of jargon that has grown up that the industrial States or producing States are simply the manufacturing States. Has not "producing," in the lingo of the tariff talkers, come to mean practically the same as "manufacturing?"

Mr. GOOD. I think that is possibly true.

Mr. CLARK. Do you not think that if you are going to rig up this scheme here at all you had better put it in in so many words that one of them ought to be a farmer? That is the greatest producing interest in the United States.

Mr. GOOD. I do not care so much with regard to the details of this bill. This is a very small detail, as to who shall be members of the commission.

Mr. CLARK. No; that is the very essence of it.

Mr. GOOD. I think the essence of the bill is to have a commission that is permanent, with power to act; and I am perfectly willing to leave to the President the power to appoint high-minded men to be members of the commission.

Mr. CLARK. Now, I can pick out three men that I know, and maybe more if I were to hunt around, highly respectable men in the United States, of fine mental endowments, that believe that this tariff ought to be raised all along the line; and then I can pick out some other men, just as good as they are intellectually, and as patriotic and all that, that believe that it ought to be cut strictly to a revenue basis. Between those two extremes there is every kind of tariff view that mortal man can have. Would not the complexion of the board at last depend on the state of mind the President was in on the tariff question himself?

Mr. GOOD. Possibly, if the law provided that the commission should have power to recommend measures and rates.

Mr. CLARK. What are they up to, if they do not recommend?

Mr. GOOD. They are simply to ascertain the fact. It seems to me if a man is an honest man and will perform his duty it makes little difference, when it comes to investigating a fact and reporting on the cost of producing a given article, whether he is a Republican or a Democrat.

Mr. CLARK. But would not every fellow start out with a preconceived theory and endeavor to bolster it up, just like a fellow goes into the Bible to extract quotations from it to bolster up his theory of infant baptism, immersion, or anything of that sort?

Mr. GOOD. If infant baptism or immersion were a fact instead of a theory, that might be true, but the commission, as the bill has been drawn, will only report facts and not theories, and in the reporting of those facts it seems to me that no man is big enough to sit on that commission who will not report the fact, even though that fact does not fit into his political theory.

Mr. CLARK. Did you ever read an editorial published here last summer in the American Economist and other papers somewhat widely circulated, translated from a paper that was published at Chemnitz, Germany, in which they jumped on the United States Government in general and its tariff board in particular, and one Mr. Reynolds with especial force, and said that the whole thing was impertinent and an insult to all the nations of the earth, and that they came over there browsing around and trying to induce manufacturers to give up their trade secrets and all that kind of stuff, and intimated that the whole tribe ought to be drummed out of the country?

Mr. GOOD. I do not believe I saw it.

Mr. CLARK. You read the American Economist, do you not?

Mr. GOOD. Yes, sir.

Mr. CLARK. That is the highest authority we have.

Mr. LONGWORTH. Do you regard it as essential that there should be any description of the qualifications of the members?

Mr. GOOD. No; I think that is a detail; and I say that with regard to practically everything in the bill except the naked essentials; that it should be a permanent tariff commission with power to act. The number of commissioners, their qualifications, and matters of that kind are mere matters of detail; but it seems to me with a permanent commission with power to act, its findings would have weight not only with Congress but with the President.

Mr. CLARK. How would it strike you to change the bill so that the tariff commission should be elected by the House of Representatives and made amenable to the House of Representatives, that is charged under the Constitution with originating tariff bills?

Mr. GOOD. I am afraid such a measure would hardly pass the Senate, in the first place.

Mr. LONGWORTH. It would hardly be a permanent board.  
[Laughter.]

Mr. CLARK. Why not? It seems to me, from a hasty reading of this bill, that the chief end of it is to advise the President and executive officers how to enforce a tariff bill. Is that so, or not?

Mr. GOOD. Not at all. The chief end of the bill is to give Congress the facts that it ought to have upon which it would bottom any revenue or tariff measure.

Mr. CLARK. What is the Department of Commerce for?

Mr. GOOD. Well, I do not know. I noticed that this committee did not call upon it very generously for information.

Mr. CLARK. That is exactly where we got the information about steel and iron. Mr. Underwood says that the report of that department is the most valuable document we have around here, and he knows more about iron and steel than most of us.

Mr. GOOD. I understand that you got some information there.

Mr. CLARK. How are you going to get Congress to accept the deductions and conclusions of this commission?

Mr. GOOD. That is a matter for Congress to act upon, of course.

Mr. CLARK. Did you know that Gen. Arthur, under a resolution or bill, appointed a tariff commission that went out and roamed around over the country for two or three years and came back and reported—nearly every one of them Texans, too—that there ought to be a general reduction of 20 per cent; and Congress immediately proceeded to make a raise of 10 per cent? [Laughter.]

Mr. GOOD. I know this bill is bottomed altogether on a different principle from that under which that commission was appointed. This commission will have no power of recommendation at all.

Mr. HARRISON. How would you meet the situation in case the House of Representatives or the Ways and Means Committee wanted to revise the woolen schedule, and called upon this tariff commission of yours for information like that, and they replied that under the direction of the President they were engaged in investigating the chemical schedule, and could not give any facts as yet about the woolen schedule?

Mr. GOOD. If I thought that was as serious as you seem to regard it, I would insist on a provision going into this bill providing that the first duty of the committee should be to furnish information to the Congress of the United States.



Mr. HARRISON. There is no such provision in the bill as it reads now, is there?

Mr. GOOD. No; there is no such provision in it, but if that is regarded as a necessary part of the bill, I would have no objection to that going into the bill.

Mr. CLARK. Do you know anything about how far this tariff board has gotten that we have had on hand for some time? Has it any information in stock?

Mr. GOOD. I know nothing about the information that that board has collected except the published speech of one of its members.

Mr. CLARK. You did not get much information out of that, did you?

Mr. GOOD. That is all the information I have.

Mr. CLARK. There is a good deal of general statement in that speech and precious little information.

Mr. POU. The papers say that their money is about all out, too.

Mr. CLARK. That is a pity.

Mr. FORDNEY. The bill provides on page 3:

No person who is a Member of Congress, and no person who is in any manner peculiarly interested in the production or importation of any article or articles enumerated in the customs and tariff law, shall be eligible to hold such office.

What kind of a fellow do you think that would be? Did you ever know a man who had any ability who was not engaged in producing something, if it was nothing more than chickens?

Mr. GOOD. Oh, yes.

Mr. FORDNEY. I never did in my life. I have failed to find that fellow yet.

Mr. GOOD. If the Interstate Commerce Commission had been filled with men who were presidents of railroads, the findings of such a commission on the question of the fixing of rates would not have any standing in the country and very little in the courts. If this commission could be manned by men who were neither importers nor persons engaged in manufacture, the findings of such a commission would be better regarded than if it were composed of men who were interested either as importers or as large manufacturers. That is my only thought, and that, again, is simply a detail of the bill.

Mr. FORDNEY. You will agree with me that that commission ought to be made up of the most able men in the country, will you not?

Mr. GOOD. It ought to be made up of a class of men who have a particular power of investigation, and of ascertaining facts. I do not know that it would require eloquent men, or anything of that kind; but it ought to require men who are experts in the examination of testimony, and in ascertaining what the real facts are in a given case.

Mr. FORDNEY. Eloquence would cut no figure as to the fitness of the men there.

Mr. GOOD. No.

Mr. FORDNEY. But on the other hand, to go about this country and all foreign countries and compare the cost of production here with the cost of production abroad, and then make an intelligent report to Congress so that it could act upon it, certainly would take men of some marked ability—to make an intelligent and efficient report. Can you find such men in the country who do not produce anything?

Mr. GOOD. I will say to the gentleman that if that clause would mean the putting of weak men upon the commission, then it should be stricken out.

Mr. FORDNEY. I would, too.

Mr. GOOD. There is no question about that. I did not think at the time I drew the bill that it would produce any such effect, but if, in the judgment of the committee, it would produce such an effect, it should be stricken out.

The CHAIRMAN. Mr. Fordney, have you any objection to allowing Mr. Good to suspend now, and to have him go on later? Mr. Cobb is here.

Mr. FORDNEY. I would be pleased to do that; but I would like to ask some questions a little later.

The CHAIRMAN. Then, Mr. Good, we will ask you to suspend for the present, and we will hear Mr. Cobb.

### STATEMENT OF MR. JOHN CANDLER COBB, PRESIDENT OF THE NATIONAL TARIFF COMMISSION ASSOCIATION.

Mr. COBB. Mr. Chairman and gentlemen, I appear here as the president of the National Tariff Commission Association, and I have here a list of our organizations and delegates, which is very complete, although there are a few which are not printed on this list. This shows about 100 boards of trade and chambers of commerce throughout the United States. The organization of the body is that each one of these organizations appoints a delegate. I, for instance, am the vice president of the Boston Chamber of Commerce, and am appointed by the Boston Chamber of Commerce to represent it in this matter.

We met together and elected our board of directors, and that board of directors elected a president, which happened to fall on me.

Now, I want to say a word as to this organization and what it means, because I think it is of fundamental importance in the consideration of this question. The boards of trade and chambers of commerce in this country have been, during the past few years, developing along very important lines. That is to say, we have been going, more than was ever done before, into questions of great public interest. We have been forced to this by the fact that organization and consolidation seems to be the tendency of the times, and it is rather necessary, if we wish to maintain our strength and position in the world—and when I say strength I mean the strength of the rank and file of the business men—that we should get together and consolidate more or less. This has been growing to an extent that has made it a strong organization throughout the country. We exchange views and consider things. We consider questions of this sort.

What I am getting at is this. Our boards of trade throughout this country have made a study of this tariff question, such as never was made before by any body of men, I think, outside of Congress. That is to say, when the last tariff bill was passed our board of directors decided that one member should be here at all times during the consideration of the bill, simply and solely for the purpose of watching and studying, and seeing what was being done and how it was being done; what improvements could be made, and what it was wise to do. Not that it was any of our business, except to see and help, because

the tariff affects more directly the business interests of the country than anything else.

The result of that investigation by us was communicated to our hundred boards of trade through our secretary, by correspondence, in a quiet way; that is, there was no blare of trumpets in the newspapers, or interviews, but it was communicated throughout this whole country, so that our information became a matter of common knowledge throughout the business community.

Now, we decided—and this, I think, may be putting the matter very plainly—that what Congress most needed was to be protected against us. Members of our boards of trade were coming down here by thousands, literally, and hounding their Members of Congress, and looking after their special interests, nagging men and making all sorts of statements. I will not say that they made false statements, because they are honest men, and they are men, as a rule, who are good business men, but I do say that a great many very exaggerated statements were made. We do not intend to have that done, and we do not want it done, and the control and force of public opinion, the force of our boards of trade, is going to be, in my opinion, the important element to make this thing accepted. That is to say, it does not make any difference, in my opinion, within reasonable limitations what the terms of this bill are. It is the question of getting a body of men whom the business men of the United States feel represent them; so that Mr. So-and-so from Illinois can go there and feel, "These men are here to represent us and look after us."

Now, to give you an exact sample: I, as I say, represent the Boston Chamber of Commerce, with 4,000 members, and a third of those or more are protected manufacturers. I was appointed to take charge of the tariff question, and took up the tariff-commission cause, and at first was met by a general feeling expressed about as follows: "Oh, John Cobb, you are a millennium hunter. That is not the way the thing is done."

My theory has been that if the business men of this country decide that this tariff problem is to be worked out fairly and nobody is going to get any special benefit, every one will be satisfied and the intemperate discussion stopped, and there will be no horde of men coming down here.

I say again that the greatest thing this commission can do is to protect you gentlemen against that very thing. When a man comes to you and says, "My heavens, if my duty is not increased 25 per cent, I will have to discharge 1,000 laborers, and your chance of reelection will be ruined," you can say to that man, "My dear friend, that is too bad; you of course know what your conditions are; you of course are right in it and can prove these statements; you just step over to the tariff board and get them to visé your figures, and then come back to me with the report that those figures are right and correct and I will stand up in Congress and hold out for you 'until the cows come home.'"

And that is the point. Get those men away from this thing. I am talking about the men I represent, and those are the men that should be made to feel that they are going to have fair treatment without the necessity of personal pressure.

It is not a question of protection. It is not a question of tariff for revenue. This tariff commission is just as much needed on the basis of a tariff for revenue. There is no worse example of the need of a tariff commission in the whole history of tariff than the Wilson bill, passed on a platform calling for tariff for revenue. We needed the tariff commission far more then than for the last bill. That is to say, the question of the tariff is a question which should be decided by the country as a whole, by the different parties placing in their platforms the tariff principle which they believe in. And the country decides by the election of one party or the other what should be the policy of the country. If we decide in favor of a tariff for revenue, we want it. We do not want the Wilson bill. If we decide in favor of a tariff for a moderate and reasonable and fair protection, we want it. I do not want to criticize in the presence of you gentlemen the last bill, because you made it very largely.

Mr. CLARK. Go on; criticize it. [Laughter.]

Mr. COBB. But I do say—

The CHAIRMAN. Do not hesitate, so far as this side of the House is concerned. [Laughter.]

Mr. COBB. But I do say that—

The CHAIRMAN. In fact, we would like to hear a little honest criticism.

Mr. COBB. I do say that there are in the bill different schedules having different measures of protection—that is to say, the hide and leather schedule is not based on the same economic basis that the woolen schedule is—the measure and extent and basis of protection differs. Now, these things should be harmonized and adjusted. I think you see what I mean. In other words, if every man in this country can feel that when the country decides on a principle it is going to be adopted, and he is going to be treated just as fairly as every other man is, you are not going to have the troubles you have had.

Now, gentlemen, I want to call your attention to what you are doing when you pass a tariff bill. This question of protection was never considered in the Constitution. Revenue is raised under the provisions of the Constitution. Tariff is raised for revenue purposes; but the protective principle which arose afterwards has been declared constitutional by the Supreme Court and is the law of the land.

The CHAIRMAN. I would suggest that you read the title of the first tariff bill that was passed after the adoption of the Constitution. Some of the members that helped to frame the Constitution were in Congress at that time.

Mr. COBB. Well, I do not see any evidence in the Constitution—

The CHAIRMAN. I am simply speaking of the first tariff bill that was passed.

Mr. UNDERWOOD. That was a 5 per cent tariff bill.

Mr. COBB. If there was a distinct acknowledgment of the protective principle by the first Congress, Mr. Payne, I am at fault.

The CHAIRMAN. Read that bill and see whether you discover anything of that kind in the title itself.

Mr. CLARK. The chairman does not distinguish between a revenue tariff and a protective tariff, I understand?

The CHAIRMAN. I want to find out what my friend does stand for.

Mr. COBB. That was not the point I was making, Mr. Chairman. The point I was making was that this power of protective tariff is a power of such tremendous and vital importance that it can make or ruin individuals, industries, or communities, very quickly and very directly. That is is the exercise of tremendous power.

Mr. CLARK. Mr. Cobb, you can not rig up any scheme to keep these people that are interested in the tariff from using their influence or arguments, or whatever you please to call them, with anybody that is charged with making a tariff bill, can you?

Mr. COBB. Certainly not. But we can decrease their number and nullify their influence.

Mr. CLARK. Would it not resolve itself into the fact that that large horde of gentlemen who come down here, according to your own statement, by thousands would simply turn their attention to this Tariff Board instead of to the Ways and Means Committee?

Mr. COBB. This Tariff Board, if our idea prevails, is not going to be a board to consider what the duties ought to be. They are simply to collect the facts on which tariff consideration is based. There is a line of demarcation which is very important. The purpose is to have this board sitting here permanently. And I want to draw a distinction between a commission created in the excitement of tariff revision for the purpose of going out and investigating and a commission which sits here all the time steadily and establishes itself in public confidence. If it sits here quietly and permanently and establishes itself in public confidence and gets the data when there is no excitement, when men are at peace, the work can go along and will establish itself, with the support of the country back of it; for instance, our organization of business men, and I may add the National Grange, which, while not a member of our organization, have their president as one of our members, and their action has been along exactly the same line as ours. We are working in harmony—

Mr. CLARK. Let me ask you another question. How do you figure out that the people of Massachusetts, Illinois, or any other State can feel that they are any more represented by a member on this Tariff Board than they are by a Member of Congress on the Ways and Means Committee?

Mr. COBB. We feel that we might be too much represented by a Member on the Ways and Means Committee.

Mr. CLARK. What is the difference?

Mr. COBB. Do you mean whether—

Mr. CLARK. What is the difference between the nature of these commissioners and the nature of members of the Ways and Means Committee? How are their mental processes going to be any different from each other if they have the same amount of sense?

Mr. COBB. A man who is a trained investigator, or who is put at a certain job, and who feels that he is there permanently, and that that is the place to make his record, has the same feeling that you have seen and I have seen a thousand times, when we have seen some lawyer who has been a violent advocate in the courts appointed to the bench. In one month he is a different man.

Mr. LONGWORTH. Is not the distinction this: That members of the Ways and Means Committee are not only charged with the duty of finding facts but of basing a conclusion upon the facts?

Mr. COBB. Exactly.

Mr. LONGWORTH. And this commission only has the duty of finding the facts?

Mr. COBB. That is exactly it.

Mr. FORDNEY. There are 392 Members of the House of Representatives, coming from every hill and corner of the United States. They ought to know something about the industries of their respective districts, and they do. I claim to know something about the industries in my district.

Mr. LONGWORTH. How about lumber?

Mr. FORDNEY. The lumber schedule has a lower rate of tariff than anything in the bill except fish. How could the Tariff Commission go to my district and get any better information than I could get, or than any other member of this committee could get? What would you suggest as to how they could get the information?

Mr. COBB. I would answer that question in this way: I do not know that it is a direct answer. In fact, I would say that probably the needs of your district you probably know as well as any man that could go there.

Mr. FORDNEY. I ought to. I canvassed it very thoroughly for twelve years.

Mr. COBB. I am not speaking personally, but I will say that in our opinion a majority of the Members of Congress approached action on the Payne bill from the viewpoint of their own districts.

Mr. FORDNEY. Oh, no; I beg to differ with you. The men on the Ways and Means Committee—

Mr. COBB. I am not talking about this committee. I am talking about the rank and file of the Members in the House.

Mr. HARRISON. Do you not think that a Member of the House who has to go before the people for reelection every two years is a safer custodian of this great power than men appointed for six years by the President?

Mr. COBB. Absolutely. I would not give the commission any power whatever. There is no power contemplated.

Mr. UNDERWOOD. As I understand, what you are contending for, representing your association, is that Congress should appoint a board of statisticians to assemble and gather facts for the benefit of this committee?

Mr. COBB. Absolutely.

Mr. UNDERWOOD. And that is as far as you want to go?

Mr. COBB. Yes. Well, gentlemen—

Mr. UNDERWOOD. Would that be satisfactory to the people you represent, if we were to go that far and no farther?

Mr. COBB. Well, now, do you mean—

Mr. UNDERWOOD. To assemble and gather facts and statistics relating to the questions that come before this committee, but not to indulge in advice or conclusions?

Mr. COBB. Absolutely; not to indulge in advice or recommendations.

Mr. FORDNEY. We have such a commission.

Mr. UNDERWOOD. I would like to ask one other question. Does your association stand for the control of the reports and the work of this board by the executive branch of the Government, or by that portion of the legislative branch of the Government in which power has been vested by the Constitution?

Mr. COBB. Absolutely, the legislative branch. A board created as the present Tariff Board is will not, in our opinion, accomplish the results required. That is to say, it must be a board that is responsible to Congress, and in touch with Congress.

Mr. UNDERWOOD. I agree with you thoroughly in that.

Mr. COBB. And outside of the control of any administration, in so far as its work is concerned.

Mr. UNDERWOOD. I want to ask you this: If we have a board that is to gather facts—and I do not think this committee can have too many facts if they are properly assembled and represent the truth, or too much information—and they are to be under the control of the legislative branch of the Government, I want to ask you whether you think it wiser to appoint that board by the executive or by the legislative branch of the Government?

Mr. COBB. I think that it is far wiser to have the appointing power in the executive. I think that ordinarily the appointments made by a single responsible executive are more successful, on the whole, than any other system. Well, take for instance the appointment of judges. I think it is, as a rule, better to have the judges appointed than to have them elected, and I think the same would apply to this.

Mr. LONGWORTH. How would it be possible to appoint a permanent board, if that power were given to Congress? The board could only last two years. That is the limit.

Mr. COBB. That is, the power of Congress would not extend beyond that time?

Mr. LONGWORTH. Certainly not. If you want to have a permanent board you must give the power to the President.

Mr. COBB. Permanence is the important part of it.

Mr. CLARK. Suppose you were to get a lot of fellows in who did not perform to satisfy Congress. How are you going to get rid of them if the President appoints them?

Mr. COBB. We have worked and we have fought for the Civil Service Commission. It is not perfect, but, Heavens, how it has improved conditions. We have worked for the Interstate Commerce Commission. We criticise their acts oftentimes, and do not approve of everything they do, but the work that the Interstate Commerce Commission on the whole has accomplished has been, in our opinion, of very, very great value to the United States. We think the Tariff Commission is largely analogous.

Mr. FORDNEY. We have a tariff board at the present time.

The CHAIRMAN. One moment. It is almost 12 o'clock. I was going to suggest that the committee might come together at half past 1 to ask further questions.

Mr. FORDNEY. I will come at any time. I would be pleased to ask some questions and to get some information on this question.

The CHAIRMAN. I suppose there are other gentlemen—I do not know—who desire to be heard on this bill at some future time. We have another hearing before this committee to-morrow, and we could adjourn this hearing until Thursday morning at half past 10 o'clock and go on with it then. Then, without objection, we will suspend here with that understanding and take a recess until half past 1 o'clock. If the business of the House is in such shape that we can do so, and if any gentlemen will appear here, perhaps they can be heard this afternoon.

Mr. COBB. I would like to say that in order to save time it has been decided by my associates that no one except myself would appear on our behalf, in order to make it as brief as possible, and because our testimony would be cumulative.

The CHAIRMAN. Some other gentlemen have bills that they wish to be heard upon.

(The committee thereupon took a recess until 1.30 o'clock p. m.)

#### AFTER RECESS.

At the expiration of the recess the committee resumed its session.

The CHAIRMAN. The committee will be in order. Mr. Cobb, Mr. Fordney was about to ask you some questions when we took our recess.

#### STATEMENT OF MR. JOHN CANDLER COBB—Continued.

Mr. FORDNEY. Mr. Cobb, I did not want to interrupt you until you had finished your statement that you wanted to make. Had you finished your statement?

Mr. COBB. I think I had finished, I may say, the general statement, sir, but I had not taken up the question of our belief as to the formation of the commission; and I also had not taken up any consideration of the details of the bill. That was what I desired to do this afternoon; but I will be glad to adopt any course that you gentlemen wish with regard to the matter.

Mr. FORDNEY. I just wanted to ask this, Mr. Cobb. We have a tariff board at the present time, authorized and empowered to obtain information as to the cost of production of any article in this country, and the cost of such like article produced abroad. That was the purpose of the creation of the tariff board, when it was created—to give information to the President so that he might make recommendations to Congress where he found inequalities in the different items in the tariff law. Now, if it is not proposed to give any power to the tariff commission to recommend to Congress or to fix laws, what would be the difference between the establishment of a tariff commission and the present tariff board, in your opinion?

Mr. COBB. The difference is just this: The powers of the tariff board are formed by a provision in the sundry civil bill, empowering the President to appoint "such persons." I think I am correct in stating that there is no legislative recognition of the existence of a tariff board.

Mr. LONGWORTH. There is, in the Payne law.

Mr. COBB. Excuse me; not in the sense—

Mr. LONGWORTH. There is no definite provision for it, but there is an authorization.

Mr. COBB. An authorization for the President to employ "such persons."

Mr. LONGWORTH. That is a legislative authorization, though.

Mr. COBB. That is a legislative authorization; but it is purely a presidential matter. That is to say, it becomes a part of the personal work of the administration and has nothing to do with Congress, which is the power that makes tariffs and must make tariff



bills. Now, the fact is that I personally, and our organization generally—every one of us who has looked into this matter—thoroughly approves of the work that has been done by the present tariff board. We think they have made a splendid start, and we think the President has been very earnest to produce the best results in every way. We make no criticism whatever of the present situation. But that is, as I understand it, entirely subject to the question of an appropriation by Congress from year to year, and the Tariff Board is a part of the executive department of the Government, and it has no direct authorization or association with Congress, which has the duty of levying tariff.

Mr. FORDNEY. The information obtained by the Tariff Board is at the disposal of Congress at any time Congress calls for it. There is nothing in the public records belonging to the Government but what Congress can obtain if it calls for it.

Mr. COBB. Certainly.

Mr. FORDNEY. But during your remarks a while ago you said that out of several thousand—I have forgotten how many members there are of your organization—one-third of them were protectionists.

Mr. COBB. Oh, no. I did not say that. I said the membership of the Boston Chamber of Commerce was 4,300 members, one-third of whom were protected manufacturers.

Mr. FORDNEY. You are right. That is the way you put it. How many of them are importers?

Mr. COBB. I should say perhaps a quarter. No; not over 20 per cent.

Mr. FORDNEY. Is it not true, Mr. Cobb, that the average importer is a free trader, and that the manufacturer in this country is a protectionist, as a rule?

Mr. COBB. Of course, that is the tendency of the business of each man.

Mr. FORDNEY. In the appointment of a board of this kind, in the creation of it, do you think it would be advisable to have a nonpartisan board appointed.

Mr. COBB. I certainly do.

Mr. FORDNEY. Do you think men could be found who would have no fixed views upon the tariff.

Mr. COBB. I certainly do.

Mr. FORDNEY. I never met one yet that did not have an opinion on the tariff.

Mr. COBB. I would answer that in this way. I think that the chairman of the present board—I do not know what his political party is—but I guess he is what we used to call a mugwump in New England. I know what his training is—

Mr. FORDNEY. What is his training?

Mr. COBB. As an economic professor at Yale College. I do not think that his judgment in investigating the facts would be in the slightest degree affected by his opinions.

Mr. CALDERHEAD. You refer to Mr. Emery?

Mr. COBB. Mr. Emery.

Mr. FORDNEY. Do you believe that more correct, better, and more reliable information could be obtained by a tariff board than can be obtained by Members of Congress themselves?

Mr. COBB. Not if you set five Members of Congress to work on that proposition.

Mr. FORDNEY. How about 19 Members?

Mr. COBB (continuing). With the belief that it was their life work, and with the provision that they should engage in no other business, and do nothing else, and keep them at it from now until the end of their lives, I believe that the chances are that any five members of this committee would make a perfectly satisfactory tariff board.

Mr. FORDNEY. That is not possible for Congress to do—to create a board and appoint men as life members.

Mr. COBB. That is the reason we do not think it is practical to produce the results by a committee of Congress.

Mr. FORDNEY. I say, you can not create a tariff commission and give them a life tenure. Nothing can be done by this Congress that can not be undone by the next Congress.

Mr. COBB. When I say “life tenure” I mean a tenure of years. What is the provision with regard to our courts? Certainly the judges of the Supreme Court, or of our circuit courts are appointed for life.

Mr. FORDNEY. They are provided for by the Constitution.

Mr. COBB. The question whether it is for life or for a long tenure is not important, in my opinion, provided the tenure is long enough so that a majority of the members of that commission are at all times removed from the question of reappointment. That is to say, so that the question of reappointment is so far removed as not to be a factor in the situation. If you put a man at a piece of work, and he feels that that is his life work, he is in a different position and the same man is a different man from what he is if he takes it up for three months.

Mr. FORDNEY. But Congress is not given the power to do that, Mr. Cobb—to create a board to exist for a long time.

Mr. COBB. What is the basis of the Interstate Commerce Commission, for instance?

Mr. FORDNEY. I do not know enough about it to state intelligently.

Mr. DALZELL. They are appointed for a term?

Mr. COBB. They are appointed for a term of years, and for a long period.

Mr. HILL. And the terms do not expire at the same time.

Mr. LONGWORTH. It is almost the same provision as that carried by the Good bill, is it not?

Mr. DALZELL. This bill provides for a term of six years.

Mr. COBB. Yes.

Mr. HILL. I would like to ask you a question. Have you ever been engaged in manufacture?

Mr. COBB. Yes.

Mr. HILL. In what line?

Mr. COBB. I have been engaged in woolen and in cotton.

Mr. HILL. Do you think there would be—

Mr. COBB. I am not engaged now, but I have been.

Mr. HILL. Do you think there would be any difficulty in a tariff board getting complete and accurate information from the manufacturers of, say, Massachusetts, for instance—as you come from Massachusetts—and do you think there would be any objection on their part to throwing open their books fully and completely to the investigation of the tariff board?

Mr. COBB. Absolutely none; and I believe to-day that the sentiment has been already created to an extent that has led the manufacturers of this country to believe that this is the way to get the best results. I believe that they are to-day willing, and I believe that as time goes on they will be more and more willing. For instance, I was talking with Prof. Emery the other day about some work he has been doing—I think it was in connection with the pulp schedule—and he told me that the producers of over 90 per cent of the pulp paper produced in the country had cordially received their requests for information and had taken it up with them in a perfectly friendly and absolutely open way, and that the neglect and refusals to come forward in that way had amounted to much less than 10 per cent. As I have said in my opening, I believe the success of this thing is purely a question of the sentiment back of it, and that the business men of this country think that the general sentiment would absolutely control the securing of satisfactory results.

Mr. HILL. I understand, in a general way, your idea is this: That the policy of this country is a political question, as to whether it shall be protective or revenue or free trade, and that the administration of it and that the gathering of statistics in regard to it can be made a purely nonpolitical matter?

Mr. COBB. That is my belief, absolutely; that that information, produced and made a matter of general knowledge by a tariff commission, will tend to place the tariff question in such a situation that the country can pass on the main fundamental question with confidence that its verdict will be carried out as the mandate of the country.

Mr. FORDNEY. Do you not think the present tariff board could get that information?

Mr. COBB. I think they are getting it.

Mr. FORDNEY. I do. Then why change it and put a tariff commission in?

Mr. COBB. Because in perfecting the present Tariff Board into a permanent tariff commission our idea is that we are building to-day a permanent tariff-making system, and it is my belief that it is going to take time to get the system perfected. It can not be done in a day. Take, for instance, in the present heated condition of feeling in the country, it probably will be very difficult for that Tariff Board to do to-day the work which we hope in time it will do. If the system gets to working in proper shape in five years, it will be as soon as we can possibly expect. For instance, the agitation of the tariff question is to-day in rather an acute state. Until that acute situation is eliminated the real permanent work of this tariff commission can not be fully felt, and the greatest advantages derived from it. That is to say, we are looking not for to-day, not for to-morrow, not merely for changes and adjustments of the present bill, but for the creation of a lasting and a permanent system of applying a power which we feel is of the utmost importance and of the most vital importance to the business interests and welfare of the whole country, so that it shall be continuously worked out.

Mr. FORDNEY. Did you follow the testimony that was given before this committee two years ago in their preparation of their tariff bill; and if so, do you not believe that they got quite valuable information?

Mr. COBB. Very.

Mr. FORDNEY. Just as valuable as it was possible to obtain anywhere?

Mr. COBB. I do not think it was as valuable as it was possible to obtain. I think that much more valuable testimony can be acquired if it is done under this system than under the system which was followed then.

Mr. FORDNEY. Mr. Cobb, from my recollection the men who favored free trade or lower tariff came here and advocated that very thing and the protectionists otherwise. Do you not think that that will continue just as long as time lasts?

Mr. COBB. Do you mean that they advocated a tariff commission?

Mr. FORDNEY. No; that they advocated the revision of the tariff. The free traders came and wanted lower rates, and the protectionists came and did not want lower rates.

Mr. COBB. You understand that we do not stand for lower rates, for higher rates, or for any question of rates. Let that be decided by the country. It is merely a question of policy.

Mr. FORDNEY. The country did decide it.

Mr. COBB. We assume to-day that the Republican party stands for a fair and reasonable tariff, with no excessive duties and no special privileges.

Mr. FORDNEY. That is their platform.

Mr. COBB. If that is the platform, and if the bill passed measures up to that platform, this tariff commission will be a vindication——

Mr. FORDNEY. Do you not think the Payne tariff bill does measure up to that condition?

Mr. COBB. Not perfectly.

Mr. FORDNEY. In what schedule, in what respect does it not?

Mr. COBB. I would prefer not to answer that question, because you see, gentlemen, I represent 100 different boards of trade with every degree of feeling on the tariff question and of both political parties. Now, my position is such that it is not proper for me to discuss the question of schedules. I did say this morning that I thought the woolen schedule was made on a different measure of protection, a different economic theory from the leather schedule, but without suggestion as to which was the better or which was the wiser. I think there are differences of that sort in the Payne bill.

Mr. LONGWORTH. Why should it make any difference whether a member of this proposed commission favored the Payne law or was opposed to it, so far as concerns his ability to find out facts which might be of use to future Congresses, either in the revision of all the schedules or of one separate schedule?

Mr. COBB. It should make absolutely no difference. There is no reason why it should.

Mr. LONGWORTH. In other words, the mental bias of any member of the commission does not make any difference as to his final ascertainment of the facts. It is not a question of his drawing a conclusion from those facts?

Mr. COBB. No, sir; none whatever. It is his duty to merely ascertain the facts.

Mr. FORDNEY. It has been stated, and I am not sure by whom, that if this commission is created, it was not proposed to have them make recommendations, but to submit information without recommendations.

Mr. COBB. Yes, sir.

Mr. FORDNEY. Now, as an illustration, if you put my beloved friend, Hon. Champ Clark, on that commission, and any Member on this side of the House on that commission, they are men of decided opposite views on the tariff question, yet they will both obtain reliable information and submit facts that will not differ. But if you ask an opinion, you will get opposite opinions from the two men. Is not that true?

Mr. COBB. Yes, sir.

Mr. FORDNEY. So that if you create a tariff commission and give it any more authority or power than the present Tariff Board has to-day (which would be to recommend), you are bound to have a partisan board, are you not?

Mr. COBB. We are opposed to a board which has the power to recommend.

Mr. FORDNEY. Then you do not propose, if a commission is created, to give them any further power than the present Tariff Board has now. They have all the power and authority and the money back of them to obtain all the information obtainable in the country, and submit it to the President without recommendation to Congress; and if you do not empower the commission to make recommendations, they could absolutely do nothing more than the present board has power to do now. Is not that right?

Mr. COBB. That is true to-day. What will be the condition to-morrow?

Mr. FORDNEY. You can only do that by changing your Constitution, and giving them power to make a tariff law.

Mr. COBB. No, sir. I say the statement that the tariff board has to-day substantially the powers and is doing substantially all the work that we want done by a tariff commission is a true statement.

Mr. HILL. They have no powers to compel testimony, have they?

Mr. COBB. They have no power to compel testimony; and that is a point that I want to speak of in going into the question of the powers of which I have a memorandum of here. But the point is, who knows what the position of our next President will be?

Mr. FORDNEY. Nobody does know, and no one can control by legislation or otherwise the actions of our future Presidents or the actions of future Congresses. This Congress has no power to control the power of the next Congress—absolutely none. If they did, they would put the Democrats out and put a majority of Republicans in.

Mr. COBB. That is not the point. The point is most clearly shown in the difference between the Interstate Commerce Commission and the present tariff board.

Mr. FORDNEY. If you want to make a court of your tariff commission, then you can give them all kinds of power; but if you can not give them all kinds of power they can do no more, in my opinion, than the present tariff board can do.

Mr. COBB. Our request is that the present Tariff Board be made permanent, be independent of the Executive, and have its powers somewhat broadened. Those are practically the suggestions.

Mr. BOUTELL. Have you finished, Mr. Fordney?

Mr. FORDNEY. Yes.

Mr. BOUTELL. Were you through, Mr. Hill?

Mr. HILL. Yes, sir.

Mr. BOUTELL. Right in that connection, Mr. Cobb, section 3 of the bill we have under consideration vests in the commission quite full power. Beginning on page 3, it reads:

That it shall be the duty of said commission to investigate the cost of production of all articles covered by the tariff with special reference to the prices paid for foreign labor, etc.—

Continuing on the fourth page, seventh line:

Together with all other facts which, in the judgment of said commission, will be helpful to Congress in providing equitable rates of duties on any article.

Of course those words in the eighth line, "in the judgment of said commission," have no place in a bill of this sort. There should be no discretion left with the commission as to what they should withhold from Congress, should there, in your opinion?

Mr. COBB. No, sir.

Mr. BOUTELL. The powers and duties in that section 3 are quite full and complete. Reading that in connection with the power vested in them at the bottom of page 6, it seems to me that you are a little mite sanguine about the support which this bill would have, bearing in mind the powers and the duties. At the bottom of page 6, it reads:

Said commission in pursuing its investigations, as above provided, shall have the power to subpoena witnesses, take testimony, administer oaths, and require the production of books and papers for the purpose of the accurate ascertainment of the facts which it shall be the duty of said commission to investigate and report to Congress, as hereinbefore provided.

I have a sort of an idea that some of the men that we were trying to get information out of here two years ago concerning the difference between what it actually cost them to obtain the materials abroad and their final retail price might not be tumbling over themselves in support of these provisions. We had great difficulty, Mr. Cobb, in finding out what I should hope, if we ever have a commission, we could find the connection between the price of certain large lines of staple imports, particularly manufactured goods at St. Gall and Chemnitz, and the retail price asked by the importers of the same article in this country. Do you think they are in favor of those provisions?

Mr. COBB. You mean those particular men?

Mr. BOUTELL. That the importers at large will favor such drastic provisions.

Mr. COBB. I can simply say that I think the provision which is contained in the Lenroot bill, which I think is also before you, is a provision which would satisfy more generally and be fully as effective as the provision in the Good bill—that is the provision giving power to summon witnesses and making the penalty that the commission in case of failure shall report to Congress the name of the person so failing. That is to say, setting them up before the country as having refused to give information. That provision, I think, would be entirely adequate and would meet the objection of a great many men who would oppose it in the form of the Good bill.

Mr. BOUTELL. You understand, so far as I am concerned personally, that we can not make those provisions any too sweeping or the penalties any too strong, but I was wondering whether, when you made the statement, that all the people you represented were in favor of this

legislation you had in mind the actual provisions of the bill that was before us.

Mr. COBB. As to that, I look toward the whole question as a question of public sentiment. I have found that in our Boston Chamber of Commerce and other chambers of commerce men do not stand up against the sentiment of their associates. On the average we average to be pretty right-minded, and when sentiment is in favor of a certain thing it always has an effect. The greatest trouble is the system on which our tariff legislation has been conducted. It is not the trouble with the men. If they see that the sentiment of the country is in favor of it, that tariff revisions are to be based on investigations made by a tariff commission, there will be no trouble.

Mr. FORDNEY. Let me ask you one question.

Mr. COBB. Certainly.

Mr. FORDNEY. In the Good bill, page 4, section 4, this language is used:

That said commission shall tabulate the results of its investigations and submit the same to Congress, together with any explanatory report of the facts so ascertained, at such time or times as Congress, or either branch thereof, shall designate.

Is not that an invitation to the tariff commission, if such an one were created, to constantly recommend changes and keep the business interests of the country in a turmoil each and every day in the year for all time to come?

Mr. COBB. In answer to that——

Mr. FORDNEY. Pardon me. Let me conclude. Which would be, in strong terms, constant damnation to the business interests of the country—tariff agitation.

Mr. COBB. In answer to that I would like to read section 6 of Mr. Lenroot's bill, which was changed this morning as we were sitting here—Mr. Good, Mr. Lenroot, and myself—and which, I think, would cover that point and would be satisfactory to all around:

That said commission shall make annual reports to Congress of its investigations and such special reports as may be called for by the President or either House of Congress. Said reports shall be printed as public documents. The annual report shall be published and ready for distribution——

Mr. GAINES. What are you reading from?

Mr. COBB. Page 8 of the Lenroot bill.

Mr. GAINES. Is it a proposed amendment?

Mr. COBB. It is a changed form that was discussed this morning.

Mr. GAINES. I beg your pardon; I did not mean to interrupt you.

Mr. COBB (reading):

The annual report shall be published and ready for distribution on the first Monday of December of each year. Upon demand of the President or of either House of Congress, the commission shall make a report of all testimony and information upon which its reports are based.

I do not speak for Mr. Lenroot, but as I understood in the discussion he intends to make that change.

Mr. LONGWORTH. Then it would follow that that part of Mr. Lenroot's bill would be stricken out which provides for the annual report to Congress under given circumstances, would it not?

Mr. COBB. It would be?

Mr. LONGWORTH. Yes.

Mr. COBB. That is a question that there is not a definite agreement on. There are many people who believe the commission should go

on reporting—that is to say, there might be a number of years when there would be no report called for. Still, the commission, many people believe, should be doing its work and presenting such tabulations of facts as it produced—that is, to report the information and definite facts that they had acquired during the year to Congress and the President, but not with recommendations.

Mr. LONGWORTH. Do you believe that yourself?

Mr. COBB. Unfortunately, Mr. Longworth, I am not myself. I will state that I do not like to express personal opinions. I will simply say that there is wide and strong feeling that there should be an annual report made. I do not think it is vital, and I do not think that we would oppose a bill that did not have it in. I merely say that the form of this which we talked over this morning would cover all the different things.

Mr. LONGWORTH. Will you read that first sentence again?

Mr. COBB (reading):

That said commission shall make annual reports to Congress of its investigations and such special reports as may be called for by the President or either House of Congress.

Mr. LONGWORTH. That is, you strike out “it may deem advisable?”

Mr. COBB. Yes; that is to say, strike out the power of the board of using its own judgment, which is a vital difference.

Mr. GAINES. Will you permit me to ask you a question or two, Mr. Cobb?

Mr. COBB. Certainly.

Mr. GAINES. The bill provides that—

No person who is a member of Congress, and no person who is in any manner pecuniarily interested in the production or importation of any article or articles enumerated in the customs and tariff law shall be eligible to hold such office.

Would that bar a farmer? He is pecuniarily interested in matters that are protected, if he is producing grain, hogs, sheep, cattle, or horses.

Mr. COBB. I understood this morning when that point was raised that Mr. Good was entirely of the opinion that that might wisely be changed, and I should say it would be unwise to bar a man who had any interest in production. That would practically bar every one, if it were technically and absolutely construed—that is to say, as was said this morning, there is hardly a man in the United States who is not interested in producing something.

Mr. GAINES. So, then, the provision with reference to the interests of the members of the commission, as being manufacturers, farmers, producers, or importers, would have to go out?

Mr. COBB. I think there might be some general provision put in there. I do not think that our organization feels that defining the experience of commissioners is of importance, and yet there is no objection, provided it is general enough so that it does not cramp the power to get the right sort of men.

Mr. HILL. Do you not think it is better to leave out all those restrictions and leave the personnel of the commission subject to the appointment of the President?

Mr. COBB. I think the result of that would probably be as good as the other.

Mr. GAINES. The bill provides that it shall be the duty of the commission to ascertain the cost of production in this country and the



cost of production abroad; and in order to enable them to accomplish that it gives them power to summon witnesses, the production of papers, etc. They could not, of course, compel a foreigner to testify. They could not reach him.

Mr. COBB. No, sir.

Mr. GAINES. So then, a tariff commission proceeding under the provisions of either one of the bills, as I understand them, would have power to exact facts with reference to trade and manufacture from the Americans, and spread such facts in public documents, which they could not compel foreigners to disclose. Is that true?

Mr. COBB. Yes, sir.

Mr. FORDNEY. Then the whole provision would fail.

Mr. COBB. Absolutely not.

Mr. GAINES. Then the provision would be effective in so far as it compels testimony and disclosures of information on the part of Americans, but it really would fail in so far as it gave any power to exact information from foreigners. Is not that correct?

Mr. COBB. Stated in that way, yes; but I think that Mr. Emery's speech in Chicago is very enlightening on that point. That is to say, the drastic power to extort testimony is not the power that is going to bring the results. There is a point which you have got to consider. In any complicated manufacturing plant the costs of different articles have got to be more or less subject to questions of judgment. That is to say, if a man is making ten things in one plant, the distribution of certain items of cost has got to be a question of judgment.

Mr. GAINES. The matter of cost is a matter of accounting, and that is not an exact science by any means, is it?

Mr. COBB. Yes, sir; accounting is an exact science.

Mr. GAINES. Is it possible? Do you not mean bookkeeping rather than accounting? Do you mean to say that accounting is an exact science?

Mr. COBB. I mean to say this. In any complicated manufacturing industry a man under compulsion could probably truthfully answer questions without really giving much information.

Mr. GAINES. Yes. That is as to the skill, and the willingness of the witness to disclose. But is it possible to tell, for instance in railroading, just how much it costs to move a ton of material a certain distance; or to tell what proportion of charges, taxes, and overhead charges are to be apportioned to a given part of the business? I have always thought that that was one of the most difficult and one of the most debated propositions in the country.

Mr. COBB. I think the question of transportation is a very complicated one—more complicated than most manufacturing questions; but I do think that the work in railroad accounting has made wonderful strides in the last few years in arriving at costs.

Mr. GAINES. But that shows that it is not an exact science, does it not?

Mr. COBB. It does.

Mr. GAINES. Now, you say that transportation is a thing that is peculiarly complicated. Take a farm. Suppose one has 50 acres of farm land, and he has 20 acres in corn, and he has 5 acres in garden, and the rest, we will say, in timber—woodland. Now, can he tell exactly what it costs him to raise a bushel of corn? Can he tell what proportion of his own labor or that of his hired men is expended upon

the timber, or what part ought to be charged to the corn and what to potatoes? I do not believe that the difficulty is in the transportation. The point of the question is this: I believe that the difficulty is that accounting is not an exact science; not that transportation and some one or two other lines of industry are peculiarly complicated.

Mr. COBB. I will answer that in this way. To go to one farmer and take his figures probably would not be a reliable basis, but if you go to 100 farmers or to 200 farmers and take their figures, and analyze and average them, as an expert economist trained for such work is enabled to do, the result would be very exact and very reliable.

Mr. GAINES. You were at one time a manufacturer of woolen goods and of cotton goods, I believe?

Mr. COBB. Yes, sir.

Mr. GAINES. In order to test the certainty of accounting, will you tell me what your average profit was upon woolen goods?

Mr. COBB. Why, it has been a good many years——

Mr. GAINES. I mean per yard.

Mr. COBB. It has been a good many years since I had active participation in it, and the goods that were made in the mill that I was connected with varied all the way from 12 cents a yard to 60.

Mr. FORDNEY. Profit?

Mr. COBB. No; the prices at which they were sold.

Mr. GAINES. The average profit per yard, I mean. Did not your concern know that?

Mr. COBB. We certainly knew the cost of our goods as we made them.

Mr. GAINES. Then did you not know proportionately what they sold for?

Mr. COBB. Yes, sir.

Mr. GAINES. That was the simplest end of your difficulty. You also knew, Mr. Cobb, the average profit you were making per yard of your output?

Mr. COBB. Yes, sir.

Mr. GAINES. Can you give me what that was?

Mr. COBB. It varied very much. There were certain years when there was a profit and other years when there was a loss. In a general way I would say that that particular mill averaged to pay during that time, I think, 10 per cent dividends, and that was the profit in the business.

Mr. GAINES. What is about the average profit on a yard of woolen goods, Mr. Hill?

Mr. HILL. Five cents.

Mr. GAINES. How would you find the cost of producing in foreign factories, assuming you could get——

Mr. HILL. Permit me to qualify my statement. I do not mean heavy overcoating—but the ordinary men's suitings would probably average 5 cents a yard.

Mr. GAINES. How would you secure similar information from the foreigner?

Mr. COBB. That is a question that I could make an answer to; but you gentlemen have at your command the Tariff Board, who have gone into these things, and who can answer these questions much more intelligently and with much more experience than I can; and, while I will attempt to answer it——

Mr. GAINES. Certainly; if you prefer not——

Mr. COBB. You see what I mean?

Mr. GAINES. I see your point exactly.

Mr. COBB. I really do not feel that the answer that I could make would be nearly as good an answer as those men could make. They have been at work on this thing for the last year.

Mr. GAINES. You spoke of the Tariff Board, and you said something about the investigation of the cost of the production of wood pulp. Are they investigating that question now, do you understand?

Mr. COBB. Did I say wood pulp? Pulp paper, I think I said.

Mr. GAINES. Yes.

Mr. COBB. I did not mean to state, absolutely, those figures. I merely met Mr. Emery the other day, and in talking about the subject he made a statement which I tried to repeat. I do not recall whether the article was wood pulp or pulp paper. It was merely the fact that in answer to a certain question that he had put to the manufacturers in a certain line over 90 per cent of the producers had come forward and willingly joined to help him in getting at results. That was the fact. It was not a question of wood pulp.

Mr. GAINES. My line of inquiry is with reference to the difficulty of securing similar information abroad to that which could be procured here, and with reference to the wide divergence of opinion which is possible in estimating the costs or in the manner of accounting. The whole tendency of my question is this: Do you not believe after all that it would come back to the inherent fundamental difference of thought between people on this subject, as to whether the manager for Jones & Brown told the truth, intending to do it, undoubtedly, or whether representatives of some importers of structural steel told the truth, also intending to do it, about the interests here and abroad?

Mr. COBB. I will answer that question as I did a little different question by saying that if any five of you gentlemen devoted your lives to this problem you could get results that would be of enormous value to this country on this proposition.

Mr. GAINES. I do not believe you know how hard some of us have been studying, and how little good some people think our studies have done us.

Mr. COBB. No one knows better than I how you have studied; but after 10 years devoted to this one problem I think that you would have acquired more information than you have to-day.

Mr. LONGWORTH. Is not this about the situation, so far as finding out the foreign cost is concerned: That it would be absolutely impossible for any body of men in America to go abroad and find out the exact cost of producing a given article at any one factory, but that during the course of years those same men investigating all kinds of questions over there would finally come to a pretty fair determination of about what those goods were selling for, and generally whether these various factories were making a very large profit or a reasonable profit? They could certainly find out what the wages were, and within a few years they would come to a pretty accurate knowledge, without having recourse to their books and papers or compelling them to testify, of about what it was costing to produce that article.

Mr. COBB. I think with care and a little time, for all practical purposes, the information could be secured; and I will say, in addition to

that, that I believe the Germans to-day know a great deal more about our business than we know about theirs, and I believe that we should know as much about theirs as they know about ours; and I believe it is possible to do it.

Mr. HILL. Referring to a question by Mr. Gaines about the impossibility of getting foreign information, are you not aware of the fact that the Board of Appraisers to-day compels sworn testimony as to the actual cost of every shipment of articles imported into the United States, and requires, before they are admitted, if they choose to do so, complete information as to the cost, the transportation cost, charges, cost of packing cases, and everything of that kind, and can compel it before they admit those articles into the United States here?

Mr. COBB. Yes.

Mr. HILL. So it does not make any difference whether it is done on this side or on the other side, if they have the power to get that information as a prerequisite to the importation of the article.

Mr. GAINES. What is the penalty?

Mr. HILL. None.

Mr. COBB. They can not bring the goods in.

Mr. GAINES. Suppose Americans do not testify.

Mr. HILL. The penalty is that they can not admit the goods.

Mr. GAINES. They can not admit that particular shipment of goods. I would rather have that penalty hanging over my head than that of contempt if I did not want to answer.

Mr. DALZELL. I would like to supplement that question by asking whether or not in any of these bills there is any power conferred upon the tariff commission as to the ascertainment of the cost and all that sort of thing. That is done already in the Department of Commerce and Labor in its two bureaus, the Bureau of Corporations and the Bureau of Manufactures.

Mr. COBB. I can not say definitely as to that, but admitting in a general way that it is so, what would be the conclusion?

Mr. DALZELL. My opinion would be that there would be no necessity for creating another body to do that which there is a body already in existence with power to do. Did you ever read the powers of the Bureau of Manufactures and the Bureau of Corporations of the Department of Commerce and Labor?

Mr. COBB. In a general way, yes; but to answer that question, or rather to meet the point at issue, I would say that there, again, it would make no practical difference, as far as I can see, whether the present tariff board existed in its present form or whether it existed as three men employed under the Department of Commerce and Labor. There would be absolutely no distinction there, but this brings you to the fundamental difference—the present tariff board is an executive outfit, and not a legislative outfit. That is to say, it is the creation of the executive, it reports to the executive. You may have the power, as you have in any department, to go and ask for what they have, but there is the difference of making it a permanent agency of Congress and making it an adjunct to the legislative branch.

Mr. DALZELL. But the Department of Commerce and Labor is a permanent part of the Government. If the Department of Commerce and Labor has all the powers that you propose to confer upon this tariff commission, why create a tariff commission?

Mr. COBB. Because the Department of Commerce and Labor is an executive department and comes and goes with every administration and is a part of that administration.

Mr. DALZELL. It does not make any difference whether it comes and goes or not, if it makes reports from an actual examination of the books of corporations.

Mr. GAINES. As a matter of fact, do its experts come and go? Are they not rather permanent?

Mr. DALZELL. I do not know whether they do or not.

Mr. GAINES. The executive head of the department may come and go, but as I understand it those experts are quite as permanent as you propose to make these people.

Mr. DALZELL. But you understand, as a matter of fact, that in the making of the present tariff law the cost of the production of various articles upon which tariff was fixed was ascertained and reported to this committee by the Department of Commerce and Labor from an actual examination of the books of all the domestic manufacturers, and that the cost of production of the domestic articles and of articles abroad of similar character was the work of experts who spent years in Europe getting these figures. Could any tariff commission do more than that?

Mr. COBB. I think so.

Mr. DALZELL. In what respect could it do more. It could not get any more accurate information and reports of the production than by an examination of the books of our own manufacturers. It could not get any more accurate reports of the cost of production abroad than was ascertained by these experts whose business it was to ascertain it and who spent months in the ascertainment of it.

Mr. COBB. Well, there is a fundamental difference between a body of men working simply in the executive department and a body of men who are permanently established to act for the legislative branch. That is, there is a difference in their standing and in their position. There is a difference in their standing before the country which is of the greatest importance.

Mr. DALZELL. But they are both to do the same thing, and the only difference in point of fact is that you call them by different names.

Mr. COBB. Of course I do not mean to say that they both should do the work, but I simply say, admitting that the work is to be done it is far better for the country and far better for the business situation of the country to have it done by a tariff commission than by three men in the Department of Commerce and Labor. Take the question of political discussion and the questioning of the figures. The Democratic Party will question figures made by a Republican administration, and the Republican Party will question figures made by a Democratic administration.

Mr. CALDERHEAD. They will always do that.

Mr. COBB. They will always do that, but if you can create a board in which the public has confidence, that will cease.

Mr. FORDNEY. Did you ever know a Democratic Party that had confidence in a Republican board, or vice versa?

Mr. COBB. I have not seen a very general tendency on the part of anyone to make attacks on the Interstate Commerce Commission. I think the people of the United States, as I said this morning, feel

that the Interstate Commerce Commission is a fairly good body of honest men, doing the best they can, and I do not believe it would be at all healthy for any candidate for office to get up in any district in the United States and make an attack on the Interstate Commerce Commission.

Mr. FORDNEY. My friend, to show you the difference of opinion, or rather, the action of men, on page 63 of the President's message he refers to the lumber industry, and says that the Department of Commerce and Labor have made their report, and he finds that there are no trusts or combinations in the manufacture of lumber. The press dispatches that went out (a copy of which I have in my pocket) 15 minutes after the message was delivered in Congress, say that that President's message states that that report says that they have not investigated that question, and that it is open to further investigation—just the reverse of the President's message. What do you think of men that could do that? Do you think you could change people and their manner of reporting those things? That message states that that report says that after an investigation there is no such thing as a combination or trust in the manufacture of lumber. Let me read you what the press report says—and then you talk about a nonpartisan board. It quotes four lines of the President's message, actually as it is in the President's message, and then it says: "This part does not treat of the question of a trust or combination in the manufacture of lumber, a subject to be dealt with later," when the report itself says that the investigation shows that there is no such thing as a combination or a trust in the manufacture of lumber.

How do you expect to get a nonpartisan board with such people existing as that?

Mr. COBB. By public sentiment.

Mr. FORDNEY. Yes; public sentiment will last just as long as these ninety millions of people exist.

The CHAIRMAN. Perhaps you might call Mr. Pinchot on that subject.

Mr. FORDNEY. He shifts his position so often that neither my friend Longworth nor I could follow him.

The CHAIRMAN. Are there any further questions to be asked of Mr. Cobb?

Mr. FORDNEY. Not by me.

Mr. LONGWORTH. I do not know whether I quite understand your position as to the question of the annual reports of this commission to Congress, as provided in the Lenroot bill. Did I understand you to say that your association, or the people you represent, lay no special stress upon that?

Mr. COBB. I meant to say that there are very strong arguments in favor of that system. We do not consider it a fundamental question.

Mr. LONGWORTH. It says, "shall make annual reports to Congress \* \* \* and such special reports." Oh, I see.

Mr. COBB. I would like, if I may, to very briefly say a few words about these bills on points that have not been covered, assuming that both bills are before you.

As to the first paragraph of the two bills, the Lenroot bill is more explicit in its defining of the vocations of the members than the Good bill, and I would say that our belief is rather toward the broadest view of that question. That is to say, that there should be no unnecessary

hampering. In the Lenroot bill there is the use of the word "representative" in describing the different kinds of people that may be appointed. I think it is very unwise to provide that they should be "representative" of the farmers or of any particular vocation; but rather (if you are going into it in that way) that they should be not "representative of," but should be "familiar with." That is following the idea that these men should be "skilled and experienced" in the work that they have to do, and not that they are "representative" of any particular class.

Mr. LONGWORTH. That is, that they are not to look after the interests of any particular class.

Mr. COBB. That they are not to go there with the feeling that they are to look after any particular things, but——

Mr. LONGWORTH. That they have special knowledge?

Mr. COBB. That they have special knowledge.

Mr. HILL. Do you not think that the danger is, if they have skill and experience in those particular things, that they will come to think that they are representing those particular interests?

Mr. COBB. There is always that danger, and I think there should be pretty broad terms in that respect.

Mr. BOUTELL. Right in that connection, in the Good bill Mr. Good did not explain, although he touched a little on the question, how these two men were to be selected. I confess that it puzzles me. I think I have a little more faith in mankind than the majority of reformers and I would not put in all these restrictions; but it puzzles me to know how these people are to be selected, on page 2. Here are two men described as: "Two members having special knowledge of the producing interests of the United States." On the opposite page it provides that: "No person who is in any manner pecuniarily interested in the production \* \* \* of any article \* \* \* shall be eligible."

How can you get two men who have special knowledge of the producing interests who would not have any interest in any production?

Mr. COBB. By adopting the suggestion which Mr. Good almost made this morning, that that part on the third page be stricken out.

Mr. BOUTELL. You mean on the first page, be stricken out?

Mr. COBB. No; I mean strike out the provision that no person who had a pecuniary interest in the production or importation of any article should be a member. He stated that he had no idea of any such broad construction as was talked about, and that he would have no objection to that going out.

Mr. BOUTELL. It is pretty hard to reconcile the two.

Mr. COBB. I think, after what Mr. Good said this morning, the simple way is to strike out the words on the third page.

Mr. BOUTELL. You will have to strike out one or the other.

The CHAIRMAN. Which do you prefer to have stricken out?

Mr. COBB. Which of the two——

The CHAIRMAN. Which do you prefer to have stricken out?

Mr. COBB. I think the words on the third page. As I should construe those words on the first page, "familiar with the producing interests of the country," that would not be a very narrow restriction, and would give a pretty broad field to choose from.

Mr. HILL. Why not leave it open to the discretion of the President?

The CHAIRMAN. I was going to suggest whether it would not be better to have something of that kind in there, so that there would be no suspicion that the "interests" had control of this board, so that when they render their verdict it could not be turned aside by saying that the "interests" did it.

Mr. COBB. I think it would please a great many people to have some description. I think there are arguments in favor of it, but I will say that personally I do not believe that would be of very important value.

The CHAIRMAN. I have seen the work of years in the formulation and passage of legislation brushed aside and utterly destroyed by some gentleman saying that the "interests" did it. [Laughter.] And sometimes the only man that appeared for the "interests" was the man that said it. [Laughter.]

Mr. DALZELL. Of course the ideal man would be the man who had no pecuniary interest in anything, and no opinion with respect to protection.

Mr. COBB. Yes. I think it would be unwise to have a man who was actively engaged in business; but the fact that a man had property interests in something in the United States——

The CHAIRMAN. My idea, Mr. Cobb, is that if we pass this legislation or legislation of this kind we want to put it as far as practicable on a plane where no man can brush their word aside——

Mr. COBB. Yes, sir.

The CHAIRMAN. By simply getting up and saying that the "interests" did it. My idea is that it should have the confidence of the people.

Mr. COBB. Absolutely.

The CHAIRMAN. I am willing to abide by that, always. I want to get it in such shape, if we can, that when the work is done, no matter what the result may be, it will meet the criticism of everybody, so far as the preliminary work is concerned. Of course it will not meet the criticism of everybody after the thing is done, but in forming it it will meet all reasonable criticism.

Mr. COBB. Certainly, sir.

The CHAIRMAN. That is the reason I am making these suggestions, to get rid of the "interests," if we can.

Mr. COBB. As to the term of office, I would say that our opinion is that a 10-year appointment is better than the provision in the Good bill—that is, we approve appointing them for 2, 4, 6, 8, and 10 years, and thereafter for 10 years. The reason for that is that it gives a longer tenure, which we believe is desirable, in the first place; and, in the second place, it would, as you will see, bring two appointments in each administration, and the entire board would not change in any administration.

Now, while of course at first it might be said that they were all appointed by a Republican administration, in the course of a few years the point that it was the creation of a particular administration would adjust itself. We consider it more desirable to have 10-year appointments, one each 2 years, than as it is provided here. In section 4 of the Good bill we find the words "That said commission shall tabulate," and then it goes on in a description which is covered by what I said about section 6 of the Lenroot bill, which seems to be more clear. I think it means practically the same thing as this, but it is a little more clear. Section 6 of the



Good bill brings up a subject which we have never considered. I do not know whether that is good or otherwise. You gentlemen should have a very good knowledge on that subject.

In section 7 of the Good bill there is a requirement for holding hearings in "each section" of the country. Those words are a little too definite. I think it might make trouble to have a requirement for them to hold hearings in "each section," and I think a broader construction there, that they should hold public hearings in "different sections" of the country, would probably be wiser.

Mr. NEEDHAM. They can do that without any authority being given, can they not?

Mr. COBB. Yes; but it might be desirable to put in some words showing that they were required to give public hearings, in order that the public might feel that they were to be in touch with the commission. But I think a provision that they shall hold them in "each section" would be very hampering.

Now, I want to say a word about the other bill. I think the provision in section 4 of the Lenroot bill in regard to the summoning of witnesses is a very interesting compromise of a very difficult question, and one which would appeal, I think, to every man—both in the Senate and in the House—who has a bill before Congress, as solving a great point of difference.

As to section 5 of the Lenroot bill, it may be a desirable provision to have, but it seems to me to be out of the province of a tariff commission bill. That is the section providing that the commission shall investigate and find out any firms, copartnerships, and so forth, which are cooperating by agreement to hold up prices, and so forth.

It seems to me that this section encroaches on the province of the antitrust laws and goes into a field that is distinctly being covered by the Department of Commerce and Labor; and while it might be that Congress or the Executive would call on the commission for a report on such matters, it seems to me that to require this duty of the commission would be rather unwise—that is to say, it seems to us that this section really is not germane to the bill, although its intent that such examinations should be made by the Government is good.

As to the salaries, one bill provides for \$7,500 and the other \$10,000. That is a matter of detail for you gentlemen, and the question of the amount of the appropriation is a matter as to which we should not want to express an opinion—that is to say, whether \$250,000 or \$200,000 or \$300,000 should be appropriated.

In closing, Mr. Chairman and gentlemen, I want to say just one word again as to the public sentiment and feeling on this subject, and the importance of it. I think that the action asked of you can do no harm. The creation of a tariff commission can do no harm, and it certainly will tend to allay a feeling of unrest which exists throughout this country to-day. I have been over the country probably more than any other man in connection with this subject. I am in touch all the time with these different boards of trade and chambers of commerce, and I know that there is an earnest and a widespread desire on the part of the people of this country that this should be tried, and I hope you gentlemen, even if you don't feel the confidence we do, that it will accomplish the results we expect, will look at it not from that point of view, but from the point of view that we come to you and ask for it. Can it do any harm? Will it upset things? Will it be a

serious disturbing factor? That is to say, if you will look at it from the standpoint that there is a general widespread desire for a tariff commission, even if you do not feel it is going to do everything we think, if you feel it is not going to do any serious harm we ask you to give it a trial.

I thank you very much, gentlemen.

The CHAIRMAN. Does any gentlemen of the committee desire to ask Mr. Good any questions?

Mr. GOOD. If no one has any questions to ask, I have nothing further to say.

The CHAIRMAN. Then we will hear Mr. Lenroot.

#### **STATEMENT OF HON. IRVINE L. LENROOT, A REPRESENTATIVE FROM WISCONSIN.**

Mr. LENROOT. Mr. Chairman and gentlemen of the committee, as the committee is aware, there are two bills pending before it, one known as the Good bill and the bill introduced by me.

I want to say, in the first place, that in introducing the bill I have it has not been in any spirit of hostility toward Mr. Good's bill. I should be very glad to vote for it if it should be reported by this committee. I should be very glad to vote for any bill reported by this committee that contains what seems to me three fundamental elements: A permanent tariff commission, ample powers of investigation, and the duty to report to Congress its findings of fact. But in reference to Mr. Good's bill and my own I would like to very briefly call attention to some of the differences in the two bills. I will say first that the bill I have introduced is not original with me. It is rather a composite of all the bills that have been introduced in Congress touching a tariff commission and consists of, what seem to me, to be the best features of each.

The first difference or distinction between Mr. Good's bill and this bill is in the term of office of the commission. Mr. Cobb, I think, has covered the ground completely as to why it would be desirable that the tenure of office should be 10 years. This commission, if it is to be of value to Congress and the country, should be permanent, both as to the creation of the commission itself and to a very large degree in its membership. It should not be subject to frequent change.

In both bills the commissioners are to be appointed by the President. This forenoon several suggestions were made that if we had a commission at all it should be appointed by Congress, or by the lower House of Congress. It seems to me that it must be apparent that we could not expect to have commissioners qualified to the same extent appointed or selected by 391 members of Congress as would be commissioners selected by one man, the President of the United States. I think it must be apparent that other considerations, to some extent at least, would prevail in the selection of the members of that commission than mere fitness to perform the duties imposed under the law; and so I think, without any question, if we have a tariff commission at all it ought to be appointed by the President.

Now, one distinction between the two bills with reference to the appointment of the commission is this: The bill I have introduced provides that but three members of the commission shall belong to the same political party. I want to say very frankly that I do not

believe any commission that can be created can be or will be a non-partisan commission or that the members of that commission will not have decided views upon the theories of protection or free trade, or a tariff for revenue only. But so far as the duties imposed upon this commission are concerned, it seems to me it can make no difference whether they be republicans or whether they be Democrats; for their only powers are to ascertain facts and those facts are necessary in the making of any tariff bill, whether that bill shall be made by Democrats upon the theory of a tariff for revenue only, or by republicans upon the protective theory; for in either case you must have, if you are to apply your theory, the very information that is sought to be derived by this bill.

Mr. HARRISON. Right in that line, Mr. Lenroot, of what particular interest would it be to a party devoted to reducing the tariff to make it one for revenue only, to ascertain the cost of production abroad, which seems to be one of the principal things here?

Mr. LENROOT. I will be very glad to answer that question. If you are making a Democratic tariff bill, whether a given rate shall be a revenue rate or not depends wholly upon the question of the difference in the cost of production at home and abroad. The very maximum of a revenue rate is the difference between the cost of production at home and abroad; and if you apply a higher rate than that maximum you have not a revenue rate at all. You have not even a protective rate. You have a prohibitive rate.

Mr. HARRISON. That is, counting in the cost of transportation.

Mr. LENROOT. All of those elements, of course, come into consideration; certainly.

Mr. FORDNEY. What difference would it make whether it is high or low, if you put it on tea and coffee? Those are articles that must be imported.

Mr. LENROOT. I am speaking of things that are produced in this country.

Mr. LONGWORTH. You are speaking of things produced in competition.

Mr. LENROOT. Yes, sir; so that it seems to me clear, upon the Democratic theory, that you must have this information or you can not apply intelligently a tariff rate to any article that is produced in this country in competition with an article produced abroad.

Mr. HARRISON. The practical fact whether an article comes in through the customhouse in conformity with our custom laws is of primary importance.

Mr. LENROOT. But we have many articles that have not come in because of a prohibitive rate.

Mr. HARRISON. Precisely.

Mr. LENROOT. And you might consider that if you had the power to reduce that rate; but if you did not make sufficient reduction and it was still a prohibitive rate, you would not have tariff for revenue only. It would still be a prohibitive rate, and would not be even a protective rate.

Mr. FORDNEY. For the purpose of revenue would you lower the duty, then, to encourage the importation of foreign articles, far enough to interfere with the industry in this country?

Mr. LENROOT. I would not.

Mr. FORDNEY. Then you would not get revenue from it.

Mr. LENROOT. I would not for that purpose, so far as revenue is concerned. Whenever you apply the Republican doctrine of tariff, covering the difference in production at home and abroad, you get some revenue, because it does allow some competition. The Republicans do not believe in a prohibitive tariff upon any article, as I understand it.

Mr. FORDNEY. I would. [Laughter.] I do not think that is the theory of the Republican platform.

Mr. LONGWORTH. That is the first chance you have had to say that.

Mr. FORDNEY. Yes.

Mr. LENROOT. With reference to the first section, the qualifications of these different commissioners, I think Mr. Cobb's criticism of one of the qualifications contained in the bill that I have introduced is very well taken, and that is that one should be a representative of labor. I thoroughly agree with him that if the qualifications are to be imposed, it should rather be designated as one who has knowledge of and is familiar with those conditions. With reference to the qualifications generally, I think that we would get a more expert commission if Congress did lay down certain qualifications. It seems to me that Congress is better qualified than the President—that this committee would be better qualified than the President—to determine just what kind, in a broad way, of experts are best fitted for this work; and so I think that is entitled to very serious consideration by your committee, as to whether or not the qualifications should not be laid down.

One of the most important differences in the two bills, and really the meat of both bills, will be found in the sections directing the tariff commission to ascertain the difference in the cost of production at home and abroad, and the different provisions in both bills upon that subject. The distinction between the bill I have introduced and Mr. Good's bill might well be compared to the difference between the general verdict of a jury and a special verdict. I believe that in the findings of this commission, Congress should have those findings in detail upon all of the different phases of investigation that it makes, rather than general conclusions of the tariff commission; and, as has already been said, there is in Mr. Good's bill a discretion in the commission as to how broad its investigations shall extend, the language being "so far as the same may be necessary or helpful to Congress."

I do not believe that that should be left to the commission to determine. I think Congress in this bill should determine the scope of the investigation of this commission, and then if this commission shall report facts broader than are necessary in applying tariff rates, Congress may, of course, exclude that part of the commission's findings; but if anything be omitted or if the findings of the commission be open to the charge that they have not considered this thing or that thing that Congress or your committee might decide ought to have been considered, then the findings of the commission become largely valueless in reference to that particular thing, because if one material element be omitted by the commission in its investigation, then, of course, its findings upon other elements going to the general conclusion can not be as beneficial as if you had all of the information before you.

Mr. LONGWORTH. In your bill, as I understand it, in case any individual, corporation, or firm should refuse, after request by this commission, to produce any books or papers there is no direct penalty?

Mr. LENROOT. No, sir.

Mr. LONGWORTH. For such refusal, but merely a report of their names?

Mr. LENROOT. Yes, sir.

Mr. LONGWORTH. To Congress, by the commission?

Mr. LENROOT. Yes, sir. I would say in that connection that I think as a legal proposition—I have been looking it up somewhat, but have not completed the investigation that I wanted to make of it—there is some question as to the power of the commission to go into a factory in a State engaged only in domestic production—not in interstate commerce or importing—and compel the production of the books and papers of that factory; and so I think the same thing would be accomplished in the provision that is contained in my bill—the publicity of their refusal, and the report of the article as to which the refusal is made—and if the tariff commission can ascertain no facts from any manufacturer in this country with reference to that particular article, then the presumption ought to be, in making tariff rate upon that article, against them rather than for them, with reference to applying a particular rate.

Mr. HARRISON. I think I observe a difference between your bill and that of Mr. Good's in the body or person to whom the reports of the commission shall be made. This seems to require it to report to Congress, and the other bill seems to make it its duty to report either to the President or to the Congress.

Mr. LENROOT. Yes, sir. In the bill, as I introduced it, it was my thought that this commission should be wholly an aid to Congress.

Mr. HARRISON. Have you in the bill any provision for the direction of this commission?

Mr. LENROOT. Yes, sir; in this way only; that either House of Congress may call upon the commission for special reports at any time.

Mr. HARRISON. I beg your pardon. As I read it, it says they may demand a report of all testimony and information upon which its reports are based.

Mr. LENROOT. I beg your pardon. The amendment that we talked over this morning, and that I said I would be very glad to urge before the committee, provides for Congress calling for special reports at any time that Congress may deem advisable, which would give Congress control and direction of the commission.

Mr. HARRISON. It does not give the Executive any direction as to which schedules of the tariff shall be investigated?

Mr. LENROOT. It does not; and I want to say with reference to section 6 of the printed bill that it has in it the words "and recommendations." I want to say that that never should have been there. One of the original drafts of the bill did contemplate recommendations by the commission. The final draft did not; and my stenographer, instead of getting the final draft of section 6, got a previous one. And so, in the clause "that said commission shall make annual reports to Congress of its investigations and recommendations," etc., those words "and recommendations" should be stricken out. I do not believe that this commission should

make any recommendations to Congress with respect to tariff rates. It should act solely as a jury for the ascertainment of the facts, and then let Congress apply those facts as Congress may see fit.

With respect to testimony, and the production of papers, I would like to say one word. I do not believe the power conferred upon this commission to compel testimony would be of any very great value, so far as testimony alone is concerned. Mr. Emery, in his Chicago speech, I think, spoke of the value or lack of value of coercive testimony. The value of this provision with respect to testimony and the production of books and papers will lie not in the actual compelling of the testimony or in the production of testimony, but in opening the books of every manufacturer in this country to the special investigators of the tariff commission. Let me give you a little illustration of what happened some years ago in my own State when we had a railroad fight there. We could not get into the books of a railroad corporation through our experts to investigate those books until we gave our railroad commission exactly the power that is given to this tariff commission here; and it was not necessary to take a word of testimony. Just as soon as we had the power, then the books were opened to the experts, and the information was secured, and in a much better way and much more satisfactory way than by testimony produced upon the stand.

And so the value of this provision will lie, in my judgment, in enabling the experts of the tariff commission to go into the factories in this country and secure, not from testimony, but through expert investigation, the cost of production.

And, with reference to the value of testimony; A good deal has been said upon the hearing here as to the necessity of this tariff commission, and as to whether or not the work of this Committee on Ways and Means is not just as valuable as that that could be performed by a tariff commission. With reference to this last tariff bill, no one, I think, throughout the country has ever uttered one word of criticism of the work that this Committee did in the preparation of the tariff bill that is now a law. No one has ever said that this Committee did not render splendid service and do the best that was possible under the circumstances. Yet, throughout the entire campaign, from the time of the enactment of that tariff bill to the present day, nowhere, in public speech or otherwise, was it ever contended that the facts produced before this Committee on Ways and Means did show the difference in the cost of production at home and abroad; nor was it contended that the facts shown before this Committee proved the case for the bill or against it.

Mr. Dalzell has referred to certain reports made by the Department of Commerce and Labor, and placed before the committee, with reference to the difference in the cost of production, I think, as to the metal schedule; and yet I do not think, although that was done, that that report was ever urged either by the friends of this tariff bill or by the opponents as sustaining the rates in the tariff bill, or the contrary.

It seems very plain and apparent to me that if we had had a tariff commission, such a commission as is proposed by these bills, to report to Congress the facts, when this last tariff bill had been enacted, and the findings of that tariff commission had supported the rates so far as the facts were concerned, there would never have been the contention that has been going on concerning that tariff bill.

Mr. FORDNEY. The same contention went on with the McKinley bill.

Mr. LENROOT. We have never had, I think, Mr. Fordney, a report from any body such as is contemplated by this bill.

Mr. FORDNEY. Mr. Lenroot, what I mean is this: That when the McKinley bill was enacted into law it was criticized severely, and attacked.

Mr. LENROOT. Yes, sir.

Mr. FORDNEY. And the party went out of power that made that law.

Mr. LENROOT. Yes.

Mr. FORDNEY. Just as has happened in this instance. We never had a better law upon our statute books.

Mr. LENROOT. But if the Republicans had been able to show the findings of a tariff commission composed of men such as is contemplated by this bill, to substantiate the claim that the duties in the Payne-Aldrich bill were no greater than the difference in cost of production at home and abroad, plus a reasonable profit to the manufacturer—if they could have turned to those facts, ascertained by experts, and those facts had sustained the bill, then there would not have been the criticism of that bill that has been going on.

Mr. FORDNEY. Why, Mr. Lenroot, men in Congress denounced the tariff law and made misstatements of fact from beginning to end, and they had the facts before them. How do you account for it? And when men in Congress will do that, how can you wonder at men outside of Congress doing it?

Mr. LENROOT. They do that, and you have no authority on either side in support of either contention. That is what we are asking for.

Mr. FORDNEY. No commission can prevent men from misstating facts, can it?

Mr. DALZELL. The facts upon which the Payne law was made are all contained in I do not know how many volumes of testimony—eight volumes I am informed—and I do not know how many thousands of pages. We had reports from the Department of Commerce and Labor, Mr. Carpenter's reports, the reports of the men who investigated the cotton industry abroad—all those things were open to everybody, and are open to everybody, just the same as anything in the report of the tariff commission would be.

Mr. LENROOT. I understand all that. I have read practically all of those tariff hearings, and I think I am perfectly safe in saying that there is not one-fiftieth part of the hearings before this Committee on Ways and Means that conveys any real information at all as to the difference in the cost of production at home and abroad—not because you gentlemen did not try to get it. You did; but the information was not at hand.

Mr. HILL. Information was at hand in regard to some industries.

Mr. LENROOT. Information was at hand with regard to some industries, but not as to the great bulk of them.

Mr. FORDNEY. I do not think there is an article as to which there was no information as to the cost of production at home and abroad.

Mr. LENROOT. You and I may disagree as to what information is.

Mr. FORDNEY. Surely. There may be honest disagreement between good men.

Mr. DALZELL. Even after you get it, have we any assurance that a subsequent Congress, if we have a commission like this tariff board,

would even then be governed by the reports from this board? Let me give you a concrete illustration. We did have accurate information, of course, as to the cost of production at home and abroad as to certain items, absolutely; and yet that was utterly disregarded on the floor of both chambers. Let me give you as a concrete illustration simply the little case of barley, with the absurd and grotesque prohibitive duty of 30 cents a bushel. We put it down to a reasonable protective basis, although it did not need half of what we put it at. As you recollect, men came from the other body, on the floor of our House, taking charge of the campaign, and putting that duty up again. When it got into the other House, it was put still further up, until, as I say, it reached that absurd and grotesque figure of 30 cents a bushel.

Mr. LENROOT. I want to frankly say that we do not for a moment claim that this tariff commission is going to be a cure-all for all of the evils which exist.

Mr. BOUTELL. The same old conflict will go on.

The CHAIRMAN. The committee had the evidence that was taken before the Mann committee as to the cost of print paper here and abroad. It was full and satisfactory. There was no getting around it, no disputing it, and the duty was put below the difference in the cost both as to print paper and as to wood pulp; and still that particular section has not only given rise to great criticism of the section itself, of the paragraph itself, but it has been the cause of criticism of the whole tariff bill. There is a case where we had absolute evidence of the difference in cost.

Mr. LENROOT. Of course, Mr. Payne, you had another element——

The CHAIRMAN. What is that?

Mr. LENROOT. You had another element in that, and that was as to whether the protective theory should apply to that industry.

The CHAIRMAN. I never have seen yet in any paper that argument presented.

Mr. LENROOT. Oh, I may not have stated it in the happiest possible manner, but one of the great contentions was that our forests were rapidly disappearing, and that one method of conservation was to admit these importations from Canada. That certainly was true.

Mr. HILL. I would like to ask if it was not stated to this committee that the figures as submitted were acceptable to the manufacturers and consumers alike as accurate and just?

The CHAIRMAN. As the bill went to the House; certainly.

Mr. HILL. I mean the chairman of the subcommittee stated that all of the parties agreed to it.

The CHAIRMAN. You will find his statement in the Congressional Record as well.

Mr. HARRISON. That is what this tariff commission is investigating.

The CHAIRMAN. The fact is that there was more accurate evidence taken upon that question than upon any other in the whole tariff bill by the Mann committee, because they had a whole year to take it in.

Mr. LENROOT. Unless there are some other questions at this time——

Mr. FORDNEY. I just wanted to say this, Mr. Lenroot: Your contention is that the importation of foreign forest products was for the purpose of conserving our forests at home. There was an abun-



dance of evidence, on the other hand, to show that every dollar's worth of foreign forest products that came into this country destroyed about a like amount in the forests——

Mr. LENROOT. I am very familiar with that contention. I was only saying that there was that contention.

Mr. FORDNEY. It was never contended that the reduction of the duties on wood pulp would preserve our forest and lumber, etc. There was abundance of evidence on the other side that showed that every dollar's worth of forest products imported from abroad, because it left in our forests a certain amount of timber, would destroy it.

Mr. LENROOT. I used to be in the lumber business, and so have my own opinion about it.

Mr. LONGWORTH. Taking the contention as to whether the duty on foreign lumber products was for the benefit of the home industry or not, we summoned the man that we regarded as an expert on that subject, the Chief Forester, and had a statement from him that the reduction of the old duty of \$2 would not be in the direction of conservation.

Mr. LENROOT. I am aware of that. I, perhaps, have some expert knowledge upon that subject of lumbering and lumber. I had a great deal of experience in my early days, and knowing the difference in the methods of lumbering in those days, and watching the methods that have been in vogue in Wisconsin during these few years, the forests were conserved very much better 25 or 30 years ago than they have been since, for they have not been conserved at all under the present system, in my part of the country at least. But that is not a part of the question that is before us.

The CHAIRMAN. I do not wish to interfere with any reasonable legislation that will throw more light on the cost of production at home and abroad. I want all the light I can get. Democratic newspapers stated some three or four months ago that we wanted light that in any way might prove the justice of the present tariff law, and that we tried to justify it by saying that it was for the purpose of changing the present tariff law. I am inclined to agree with my friend Mr. Harrison that his party does not want information.

Mr. HARRISON. We do not want information of that kind.

The CHAIRMAN. And I think a tariff for revenue only bill can be very easily framed without information. You can put a duty on sugar; you can put a duty on tea; you can put a duty on coffee, because we must have them, and they do not come into competition; but it does not make any particular difference excepting as it may add to the cost of high living in this country, or something of that kind. But I agree that our party can not frame a revenue law without any information of the subject; and it is now desired to go a little further than that and get it down below the protection line, so that the importation will come from abroad, of the articles our people may use. We will get a higher revenue, perhaps, if you do not get it too low; and all the information you seek on that subject is presented in the book on imports and duties, which has already been compiled by this committee, and which, of course, is open to you. So that I agree with you; you don't need information.

Mr. LENROOT. I think that that is entirely correct, as to what they can do, but in the light of the Wilson bill, it is hardly fair to assume that they would. [Laughter.]

Mr. DALZELL. I would like to ask another question along the line of what I asked before, as to the way in which the information gotten by this tariff board can be made what we might call morally effective. In other words, to get Congress to act. Suppose the tariff board should report, as of course it would, that there was no difference in the cost of production in the great majority of agricultural products—I spoke of barley because that is the most conspicuous one—without making recommendations, but simply reporting that we could raise farm products here cheaper than anywhere else in the world. Have you any idea that Congress would put agricultural products on the free list?

Mr. LENROOT. I do not know that it would. I do not think that is an important proposition here. You would have the information then, and you ought to have the information.

Mr. HILL. And we ought to have the courage to act on it.

Mr. LENROOT. Yes.

Mr. DALZELL. That is the point—whether we are going to have the courage to act on it.

Mr. LENROOT. As to whether or not we do act on it, it seems to me, is not the point at this time. We ought to have the information.

Mr. DALZELL. A great many of the arguments made in favor of the tariff which came in a vague and academic way from Members was based upon the theory that as soon as we got a tariff board it would be what you state it would not be, a cure-all. My mind works in such a way that I do not see just how that is going to be done. Human nature will be left just as it is, just as selfish, just as grasping, with or without a tariff board, and there will be just as much politics in Congress; whereas I tried as hard as I could, and would try again, to see that inequalities in the agricultural schedule were wiped out. I feel that it would be absolutely futile and that poor old barley would still stand at 30 cents even if the commission should report that there was not 5 cents difference in the cost of production.

Mr. LENROOT. It may be; but even then you would not claim that your Committee on Ways and Means, when the tariff bill is next revised, should not make an effort to ascertain the difference in the cost of production at home and abroad. That is all the tariff commission will do. It will not take the place of this committee in any way. It will be an aid to the committee. And more than that, it will be an aid to every Member of Congress with reference to the discussion and voting upon each of these items. And this information will be in such form that it will be readily available to Members of Congress. While the reports of your Committee on Ways and Means were there at our disposal, yet I venture to say that there was a very large percentage of Members who did not undertake to go through all that testimony.

Mr. FORDNEY. The question whether that tariff commission, if created, would displace this committee or any other committee, is not one of importance to a fair-minded man; but what seems to me to be of the greatest importance is that when we create a board or a commission of that kind and permit them to constantly agitate the question of the tariff, we are never going to have these conditions settled, as we have not had for the past four years. Notwithstanding the fact that I believe we have one of the best tariff bills that ever was enacted into law, we have had so much agitation before and after the

enactment of this law, that business conditions in the country are in a chaotic condition in some parts of the country right now. There is no question about that. Agitation has done it all, and nothing else. It is not the rates of duty. The agitation has done that.

Mr. LENROOT. On the contrary, I have the view that a tariff commission will safeguard business interests rather than disturb them; for if you have a tariff commission, so long as the Republican Party is in power and we have the protective system we know that that tariff commission will ascertain the facts, and that no Republican majority in Congress is going below, in applying tariff rates, the facts ascertained by that commission. It is a security for business interests. On the other hand, if the Democratic Party is in power, and you have the theory of tariff for revenue only, that tariff commission is just as necessary for that party, and those facts are just as necessary for you, if you are going to intelligently apply them to the tariff for revenue only;

Mr. LONGWORTH. It seems to me Mr. Fordney's criticism would be justified if the commission was to have any powers of recommendation.

Mr. LENROOT. Yes; I might agree with him then.

Mr. LONGWORTH. But so long as it does not have those powers I do not see how it can interfere with business.

Mr. FORDNEY. I will say this as an illustration of my opinion. I may be wrong. Right now we have a Tariff Board. Right now we have the magazines and newspapers of the country full of riffraff about the woolen schedule. The magazines and the press have been full of riffraff and misstatements of facts; and because of the President's speech at Winona, Minn., last fall in which he said that he was not fully satisfied with the woolen schedule, the woolgrower and the wool manufacturer are in holy terror right now that that board is going to recommend (and that the President will send in that recommendation) the revision of the woolen schedule, which will paralyze the industry. That industry is partially paralyzed to-day on account of it.

Mr. LONGWORTH. The board can not recommend.

Mr. FORDNEY. Certainly it will to the President and the President will recommend it.

Mr. LONGWORTH. The board has no power to recommend.

Mr. FORDNEY. What it will recommend to the President perhaps you and I will never know.

Mr. LENROOT. Of course, there is a wide difference of opinion as to the justice of the present wool schedule.

Mr. HILL. As to the effect or extent of the tariff commission, you are aware of the fact that there has been a tariff commission in France for years?

Mr. LENROOT. Yes.

Mr. HILL. Have you heard of any destruction of business because of the advisory character of that commission?

Mr. LENROOT. No, sir; and the same in Germany.

Mr. HILL. I do not think anybody else has. They are revising the tariff all the time there by single items.

The CHAIRMAN. I do not agree with Mr. Lenroot or with the other gentleman that a tariff commission is going to get rid of this agitation. I do not know whether it will have any tendency in that direction

whatever; but I believe if we can adopt between the two Houses a rule by which whenever there is an amendment to the tariff it shall be confined to a single schedule or paragraph that that will stop the general agitation.

Mr. LENROOT. I think so.

The CHAIRMAN. I think that is a desirable thing to maintain. This other business I am not enthusiastic for. I am perfectly willing to have it and to throw all the light on that subject that I can; but the other matter I would like to see brought about. I have had hope ever since the last meeting of the conference committee on the tariff that that thing would be done and that a rule would be adopted. I have been personally in favor of it for a good many years. It is not any new question. It was agitated in 1872. There was a very elaborate report against it at that time in the Senate, but I have always believed, as I said this morning, that only germane amendments in the Senate were intended by the framers of the Constitution of the United States. That is what saves panics in France. They do not go into a general revision of the tariff. They take up a few items at a time and decide upon them, and that does not interfere with industries generally. If we can adopt that in the United States, if we can have a practice between the two Houses governed by rules, that will stop this eternal smashing of things when we have a tariff agitation and the general revision of it.

Mr. LENROOT. The only agitation, then, I think, will be on the question, so far as the country is concerned, whether we are to have protective tariff or tariff for revenue only.

Mr. UNDERWOOD. I do not think the United States Senate could be expected to yield its powers to amend our bill as they have done; but I want to ask you this: If we adopt a rule in the House—in the House alone—that limits amendments to the schedule reported by this committee, so that no other amendments could be effected, do you not think it would have the effect, if the House had the nerve to stand up for its own bill, of accomplishing the desired result, even if we do not get a joint rule with the Senate?

Mr. LENROOT. If we could not get a joint rule, I would like to see the House alone adopt it; but I would like to see a joint rule.

Mr. UNDERWOOD. I do not suppose you expect that, do you?

Mr. LENROOT. Well, I understand that a very eminent gentleman at the other end of the Capitol said in a speech this afternoon that he was in favor of that very proposition.

Mr. UNDERWOOD. Your bill, as I understand it, does not create a commission in the sense of an advisory board?

Mr. LENROOT. Not at all.

Mr. UNDERWOOD. But merely a board of experts to obtain information?

Mr. LENROOT. Yes, sir.

Mr. UNDERWOOD. I do not think the Ways and Means Committee of the House can get too much information, if it is honest information, on these questions.

Mr. CALDERHEAD. I suppose the real work of the commission will be to ascertain whether the profits of the manufacturers are excessive or not.

Mr. LENROOT. No; they will form no conclusion as to that. They will get the cost of production.

Mr. UNDERWOOD. The other question that I wanted to ask you was this: Your bill makes this board report directly to the House of Representatives?

Mr. LENROOT. As originally introduced, yes. I do think that the President should have the same right—it is not found in the bill at present—to call upon this board for information. I do think Congress should have the prior right of controlling this commission, with reference to the reports and the investigation of schedules, over the Executive. It is the business of Congress to deal with this question primarily.

Mr. UNDERWOOD. Does your bill provide for the appointment of this commission by the President?

Mr. LENROOT. Yes; and I discussed that somewhat, Mr. Underwood, while you were absent. I feel very strongly that we can not possibly expect 391 Members of the House, or, if there is joint action, of the House and Senate, in selecting the men for this tariff board to give us men of the same qualifications (or make the qualifications the sole consideration) that we would expect at the hands of the President.

The CHAIRMAN. Are there any further questions? Is there anything further you wish to say, Mr. Lenroot?

Mr. LENROOT. I want to say one word with reference to the matter of the annual report that has been discussed somewhat. I do feel very strongly that whatever bill may be reported by the committee it should provide for an annual report. I think very much of the benefit of a tariff commission will be in publicity and in the confidence of the country in the unbiased information that is obtained; and I think there would be a tendency, from public sentiment working upon Congress, so far as those facts can not be shown to be false, to bring about the enactment of legislation in accordance with the facts found or based upon the facts found. So that I believe these reports ought to be made annually, and that they should be public documents. My bill does not provide for reporting the testimony, but it protects the manufacturers, I think, completely, with reference to the disclosure of information that may injure their business.

There is one section I want to speak of. Mr. Cobb spoke of it in this bill. It is made the duty of the commission to make investigations concerning the control of prices by a monopoly of any article that is the subject of a tariff rate. I would not insist upon this, but I do think where Congress has information of a given article that is the subject of a tariff rate, being controlled by a monopoly, a more rigid rule should be applied with reference to the tariff rate upon that article than where there is full and free competition. I think that this great agitation that has come up during the last ten years has been because the prices in many lines of industry have been controlled—or at least the people think they are being controlled—by monopoly.

Mr. FORDNEY. They think so?

Mr. LENROOT. Put it either way. Of course, where we do have full and free competition, it makes little or no difference whether our rates are higher than necessary to afford proper protection, because the competition will keep those prices down to a reasonable level; but in the absence of competition it does become a very vital question as to what the tariff rate should be, because the tariff rate

then is the only thing that can keep the prices down to a reasonable level.

Mr. LONGWORTH. Let me ask you one question on that point. When you speak of an article that is subject to a duty, does that mean an article which now bears duty or which by any possibility might do so?

Mr. LENROOT. Might, by any possibility. It is broad enough to cover any article that is subject to a duty.

Mr. HILL. I would suggest that you three gentlemen who have appeared should consult together and agree on some measure. Harmonize your views, and get up a bill that you all three will agree on.

Mr. LENROOT. I think we could easily do that. I should certainly be glad to do that.

#### STATEMENT OF MR. RICHARD CAMPION, OF PHILADELPHIA, PA.

Mr. CAMPION. Mr. Chairman and gentlemen, I will not detain you five minutes. I want to say that I am engaged in the woolen manufacture, and have been for many years. I am associated now with it, although I am not running the machinery. In behalf of the men with whom I am associated I want to say that the consensus of opinion is that no further tariff commission legislation is desirable. Many of us—I for one—have been opposed to any sort of a tariff commission or board, because I have believed that the constitutional provision that the House of Representatives should formulate tariff measures was a proper one, and that you have investigated and do investigate as thoroughly as any body of men can investigate. But the one point I want to make is that we believe you have now a perfectly competent board of investigation empowered to ascertain the cost of production at home and abroad as nearly as it is possible for any men to ascertain it, and that to enlarge that board or to appoint a new board under the title of a tariff commission is entirely unadvisable at this time, and would tend to further cause agitation and disturbance, and that, above all other things, the industries of this country need a period of rest and quiet. From the standpoint of the Republican Party, which you gentlemen in the majority represent, it is due from you to the great business industries of this country that you yourselves take no further step until this board which you have arranged for shall have had a fair trial.

Mr. FORDNEY. And an opportunity to report.

Mr. CAMPION. Yes, sir.

Mr. HILL. You say you speak on behalf of the men with whom you are associated. Who are they?

Mr. CAMPION. Manufacturers of Philadelphia, and to some extent manufacturers throughout the country. But I am speaking only for some of the larger manufacturers in the city of Philadelphia.

Mr. HILL. You do not speak for anybody outside of Philadelphia?

Mr. CAMPION. No, sir.

Mr. HILL. Do you speak for the carded-wool interests in Philadelphia?

Mr. CAMPION. No; I would not say that.

Mr. HILL. Have you any authority to speak for anyone but yourself?

Mr. CAMPION. Probably yes, and probably no; but I will limit, it, Mr. Hill, to myself.

Mr. HILL. I was wondering whether you had any authority to speak for the carded woolen men in Philadelphia.

Mr. CAMPION. No, sir; I do not speak for them—if you separate the carded woolen men from the worsted manufacturers in any way. I came down here because I was told there was to be a hearing to-day on this subject, which I was glad to attend for the purpose of listening and learning; and I had no thought of saying anything.

Mr. FORDNEY. But you are prepared to speak from a knowledge of the business gained by long experience, are you not?

Mr. CAMPION. Yes, sir.

Mr. HILL. Of course you have a perfect right to appear and speak for yourself; only if you had authority to speak for anybody else I wanted to know who it was. Are you engaged in the woolen business now?

Mr. CAMPION. No, sir. I am connected with it. I am selling agent for two worsted-yarn mills. I have been engaged in the worsted industry for about 40 years.

Mr. HILL. I have not any question about that; only I was wondering who it was you were authorized to speak for. You said you were speaking for yourself and the men associated with you.

Mr. CAMPION. Yes. That would comprehend several.

Mr. GAINES. Since you are here, Mr. Campion, I will ask you a question. What is the average profit per yard on worsted cloth?

Mr. CAMPION. To answer that question, I would say that I can get one, two, three, or more of the best mills in my neighborhood who will contract for five or ten years for their total output at 5 cents a yard.

Mr. GAINES. So that the profit, then, seems to be about the same in the worsted as in the woolen business per yard?

Mr. CAMPION. Yes, sir.

Mr. GAINES. That is all.

Mr. FORDNEY. About how much wool in weight is there in the average yard of cloth?

Mr. CAMPION. That is according as the customer may require.

Mr. FORDNEY. The average, I say, of all the goods produced in those mills over there.

Mr. CAMPION. For summer suitings, 11 ounces; and for winter suitings—I do not like to give figures in the presence of Mr. Hill for fear he will check me up—for ordinary suitings for winter, from 15 to 18 ounces.

Mr. FORDNEY. In the neighborhood of a pound.

Mr. CAMPION. In the neighborhood of a pound.

Mr. FORDNEY. Then your profit on a pound of wool taken from the sheep's back and put through all of the processes of manufacture would be 5 cents?

Mr. CAMPION. Yes, sir.

Mr. FORDNEY. That is the point I wanted to bring out.

Mr. CAMPION. And as confirmation of the correctness of that, take the figures of the octopus, Mr. Hill, the so-called trust, the American Woolen Company. You can easily get that. Take their total output and their profit, and divide their output by their profit, and you will see how much they have made.

Mr. FORDNEY. The consumption of wool in the United States last year was about how much? Five hundred million pounds?

Mr. CAMPION. No; I do not think it would come anywhere near that. The woolen industry in the last 12 months has not been running at the rate of 50 per cent, surely.

Mr. FORDNEY. When the conditions are normal how much wool is consumed in this country?

Mr. CAMPION. The normal consumption in all branches of the industry is about 600,000,000 pounds.

Mr. FORDNEY. The total value of the woolen industry, practically, is about \$500,000,000 then, is it not?

Mr. CAMPION. No, sir.

Mr. FORDNEY. Of the woolen industry of the United States, or \$1 per pound?

Mr. CAMPION. No; \$400,000,000.

Mr. FORDNEY. Then your profit of 5 cents per yard is about 5 per cent of its total selling value, is it?

Mr. CAMPION. Yes; I think so. But you can not get a profit. If your cloth is worth \$3 you will not be apt to get 15 cents a yard profit, as Mr. Hill knows very well. These gentlemen do not seem to be harmonized on what they want. While they have eliminated the power to recommend from their various bills they speak of "findings," "their findings," and "report their findings," and "with power to act." Is it not in their minds that they want a tariff commission, as they have expressed it, with power like unto that of the Interstate Commerce Commission, with power to recommend, even if not to change rates from day to day? Would not that bring about this disturbance that you and Mr. Fordney and I so much deprecate?

Mr. LONGWORTH. It would if it was in the bill, but I do not see it in the bill.

Mr. FORDNEY. I think it is in the bill in every line. [Laughter.]

The CHAIRMAN. This concludes the hearings, so far as I know. If anything comes up hereafter the committee will be called together on the subject. There will be a hearing to-morrow morning on the subject of the internal-revenue tax on opium and the manufactures thereof, at 10 o'clock. Without objection, the committee will stand adjourned until 10 o'clock to-morrow morning.

(The committee thereupon adjourned.)

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[H. R. 26232, 61st Cong., 2d sess.]

A BILL To create a tariff commission.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That to secure, compile, and furnish Congress accurate and reliable information that may be available in future changes of the customs and tariff laws, and to aid the President of the United States and other officers of the Government in the administration of all such laws, there is hereby created a commission, to be known as the "Tariff Commission."

Sec. 2. That said commission shall consist of five commissioners appointed by the President of the United States, by and with the consent of the Senate. The commissioners first appointed under this act shall continue in office for the terms of two, three, four, five, and six years, respectively, from and after the first day of January, anno Domini nineteen hundred and eleven, the term of each to be designated by the President; but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term



of the commissioner whom he shall succeed. The commissioner first named shall be the chairman of the commission, and upon the expiration of the term of office of the commissioner holding the position of chairman, or upon the death, resignation, or removal of the commissioner holding such office, the President of the United States shall designate a member of said commission to be the chairman thereof. The members of said commission shall be appointed solely with a view to their qualifications specified in this act and without regard to political affiliations. So far as possible the composition of said commission shall be as follows: Two members having special knowledge of the producing interests of the United States; one member a lawyer who has made a special study of the customs and tariff laws of the United States, and who has had special experience in connection with the administration thereof; one member who is familiar with the industrial and commercial conditions, and the customs and tariff laws of such foreign countries, the products of which enter largely into competition with the products of the United States; one member an economist and statistician who has given special attention to the subject of the prices and the cost of production both in this country and in foreign countries, on articles affected by the customs and tariff laws. No person who is a Member of Congress, and no person who is in any manner pecuniarily interested in the production or importation of any article or articles enumerated in the customs and tariff law shall be eligible to hold such office. Said commissioners shall not engage in any other business, vocation, or employment. Any commissioner may be removed by the President of the United States for inefficiency, neglect of duty, or malfeasance in office. Each commissioner shall receive an annual salary of seven thousand five hundred dollars. The commission shall appoint a secretary, who shall receive an annual salary of three thousand dollars, and the commission shall have the power to fix the compensation of such other employees as it may find necessary for the proper performance of its duties.

SEC. 3. That it shall be the duty of said commission to investigate the cost of production of all articles covered by the tariff with special reference to the prices paid foreign labor, and the prices paid for raw materials, whether domestic or imported, entering into manufactured articles, the condition of domestic and foreign markets effecting American products, including detailed information of the cost, and of every element thereof, of producing at the place of production and at the place of consumption of all articles specified in the tariff law, both in this country and the country from which such articles are imported, so that the cost of all such articles produced abroad may be compared with the cost of like articles produced in this country, together with all other facts which, in the judgment of said commission, will be helpful to Congress in providing equitable rate of duties on any article; and in general to thoroughly investigate all the various questions relating to the agricultural, manufacturing, commercial, and mining interests of the United States so far as the same may be necessary or helpful to Congress in the enactment of customs tariff laws, and in aiding the President and other officers of the Government in the administration of such laws.

SEC. 4. That said commission shall tabulate the results of its investigations and submit the same to Congress, together with any explanatory report of the facts so ascertained, at such time or times as Congress, or either branch thereof, shall designate; and said tabulation of said facts and the report in explanation thereof shall be laid before Congress at the earliest possible moment for its use, information, and guidance; and at the request of the Ways and Means Committee of the House and the Finance Committee of the Senate said commission shall sit with the above-named committees of the House and of the Senate during the sessions of said committees when said committees are drafting or considering any bill affecting the customs and tariff laws of the United States.

SEC. 5. That to enable the President to secure information as to the effect of tariff rates or other restrictions, exactions, or any regulations imposed at any time by any foreign country on the importation into, or sale in, any such foreign country of any agricultural, manufactured, or other product of the United States and to assist the President and other officers of the Government in the administration of the customs laws, as required by law, the said commission shall furnish the President any tabulations or reports or other information in the possession of the said commission, and shall from time to time advise the President as to the state of the commerce of the United States with foreign countries to the end that the President shall take such steps in the application of the maximum and minimum tariffs and other administration provisions of the tariff laws as in his opinion will best protect the interests of the United States.

SEC. 6. That it shall be the duty of the said commission to study and investigate all rulings and classifications of the Treasury Department by which new articles not specifically provided for in the customs tariff law, are not included in the operation

of said law; and also make a study of the classifications used in the administration of customs tariff laws of the leading commercial nations of the world, and to submit to Congress the result of said investigations, together with a draft for a scheme for the scientific classification of tariff schedules.

SEC. 7. That the said commission shall have the power to sit and hold hearings in any part of the country, and it shall be the duty of the said commission, through one or more members thereof, to personally visit the various producing sections of the country and personally investigate the conditions of each section with reference to the tariff; it shall also have the power to visit, through one or more of its members or employees, such foreign countries as may be found necessary in the prosecution of its work; it shall have the power to call upon any of the existing Government departments or bureaus for information on file in such departments or bureaus which it may require in connection with the work it is authorized to do by this act. Said commission in pursuing its investigations, as above provided, shall have the power to subpoena witnesses, to take testimony, administer oaths, and require the production of books and papers for the purpose of the accurate ascertainment of the facts which it shall be the duty of said commission to investigate and report to Congress, as hereinbefore provided.

SEC. 8. That the principal office of the said commission shall be in the city of Washington, and said commission may hire suitable offices for its use and procure all necessary office supplies. Should said commission require the attendance of any witness, either in Washington or any place not the home of said witness, said witness shall be paid the same fees and mileage that are paid witnesses by the courts of the United States.

SEC. 9. That said commission shall promulgate rules and regulations for the safe keeping of all papers, correspondence, tabulations, reports, explanations, and other information gathered by it, and, except on the order of the President of the United States, or of Congress, or of either branch thereof, no information of any kind obtained by said commission shall be made public.

SEC. 10. That all of the expenses of the commission, including all necessary expenses for transportation incurred by the commissioners, or by their employees under their orders, in making any investigations, or upon official business in any other places than in Washington, shall be paid on the presentation of itemized vouchers approved by the chairman of the commission. The sum of two hundred and fifty thousand dollars is hereby appropriated for the salaries and expense of the commission authorized by this act.

[H. R. 28433, 61st Cong., 3d sess.]

A BILL To create a Tariff Commission and defining its powers and duties.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That a commission is hereby created and shall be known as the Tariff Commission, which shall be composed of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. The commissioners first appointed under this act shall continue in office from the date of qualification and for the terms of two, four, six, eight, and ten years respectively, from the first day of July, anno Domini nineteen hundred and eleven, the term of each to be designated by the President; but their successors shall be appointed for terms of ten years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. Any commissioner may, after due hearing, be removed by the President for inefficiency, neglect of duty, or malfeasance in office. No person shall be eligible to appointment as a commissioner under this act who is a Senator or Representative of the United States or is a Senator or Representative elect of the United States at the time of his appointment. Not more than three of said commissioners shall be members of the same political party. Said commissioners shall not engage in any other business, vocation, or employment. One of said commissioners shall have a practical knowledge of the manufacturing industry; one of said commissioners shall be a representative of labor; one of said commissioners shall be a lawyer who has made a special study of the tariff laws and customs practice in the United States; one of said commissioners shall have expert knowledge of costs of production and accounting; one of said commissioners shall be an economist who has made a special study of wages and cost of living. No vacancy in the commission shall impair the right of the remaining commissioners to exercise all the powers of the commission. Each commissioner shall receive a salary of ten thousand dollars per year. The President shall designate a member of the commission to be the chairman thereof during the term for which he is appointed. The commission shall appoint a secretary and such other employees as it may find necessary to the proper performance of its duties and fix the salary or compensation of each.

SEC. 2. That the principal office of the commission shall be in the city of Washington, in suitable offices which shall be furnished by the Secretary of the Treasury, who, likewise, shall furnish the commission with all necessary supplies. The commission, however, shall have full authority, as a body, by one or more of its members or through its employees, to conduct investigations at any other place or places, either in the United States or foreign countries, as the commission may determine. Said commission shall promulgate rules and regulations for the safe-keeping of all papers, correspondence, tabulations, reports, explanations, and other information gathered by it. All of the expenses of the commission, including all necessary expenses for transportation incurred by the commissioners, or by employees under their orders, in making any investigation in any other place than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the commission.

SEC. 3. That the commission hereby created shall have authority, and it is hereby directed, to ascertain the difference in the cost of producing articles of the same, or substantially the same, quality and kind in this country and in competing foreign countries. The commission in such investigation shall ascertain, in so far as practicable in connection with the several articles covered by its reports in the United States and in competing foreign countries, the wages, hours of service, and the efficiency of labor employed, and the standards of living of such laborers. The commission shall likewise ascertain the cost of raw material, the cost of labor, the fixed charges, depreciation upon the true value of the capital invested, and all other items necessary to determine the true cost of the finished product. Said commission shall ascertain the market conditions and the prices at which protected products of the United States are sold in foreign countries as compared with the prices of products sold in the United States. The commission shall investigate the effect of transportation rates upon the markets and prices of dutiable products, the relation between Government revenues and tariff schedules, and shall, pursuant to the purposes of this act, in so far as practicable, make an investigation of all questions and conditions relating to the agricultural, manufacturing, mining, commercial, and labor interests with reference to the tariff schedules and classifications of the United States and of foreign countries. The commission shall have the power to call upon any of the existing departments or bureaus of the Government for information on file in such departments or bureaus which it may require in connection with the work it is authorized to do by this act, and it shall be the duty of every such department or bureau of the Government to furnish such information on request from the commission. It shall be the duty of said commission to hold from time to time hearings at such places as it may designate to determine industrial, commercial, and labor conditions in relation to the tariff. Such hearings shall be public, except as otherwise provided herein. The commission shall, whenever practicable, give at least ten days' public notice of any and all such hearings, and at any such hearing any person may appear before said commission and be heard, or may be represented by attorney, and may file any written statement or documentary evidence bearing upon any matter it may have under investigation: *Provided*, That said commission in any investigation may, upon the request of any witness examined, take such evidence at a secret session: *Provided further*, That the testimony of any witness in regard to any secret process used in the production of any article shall not be reduced to writing, but that all other testimony shall be reduced to writing for the guidance of the said commission in arriving at conclusions and making reports to Congress. A majority of the commission shall constitute a quorum for the transaction of business. Said commission may from time to time make or amend such general rules or orders as may be requisite for the orderly regulation of proceedings before it, including form of notices and the service thereof. Every vote and official act of the commission shall be entered of record. Any of the members of the commission or its secretary may administer oaths and affirmations and sign notices.

SEC. 4. That for the purposes of this act, in the case of articles on the dutiable list and such other articles as the commission may decide to investigate, the said commission is authorized to require of any person, firm, copartnership, corporation, or association producing any such article or articles the production of all books, papers, contracts, agreements, invoices, inventories, bills, and documents of any such person, firm, copartnership, corporation, or association, and make every inquiry necessary to a determination of the value of such property. Said commission is authorized to require by notice the attendance and testimony of witnesses and the production of all books, papers, contracts, agreements, inventories, invoices, bills, and documents relating to any matter pertaining to such investigation. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing, and witnesses shall receive

the same fees as are paid in the Federal courts. In case of failure to comply with such a notice, or in case any person, firm, copartnership, corporation, or association shall fail to comply with any of the requirements of this act the said commission shall make a report to Congress of such failure, specifying the names of each person, the individual names of such firm or copartnership, and the names of the officers and directors of each such corporation or association guilty of such failure, and such report shall specify each particular in which such person, firm, copartnership, corporation, or association has failed to comply with such requirements, and shall also specify the article or articles on the dutiable list produced by such person, firm, copartnership, corporation, or association and the tariff schedule which applies to each such article. The information as to costs of production secured under the provisions of this section from any person, firm, copartnership, corporation, or association shall not be disclosed to any business competitor or rival of such person, firm, copartnership, corporation, or association.

SEC. 5. That the commission shall ascertain whether any persons, firms, copartnerships, corporations, or associations engaged in the production or sale of any dutiable article cooperate by agreement or arrangement of any kind to control production, prices, or wages in the United States, or to control prices in any foreign market. The commission shall also ascertain whether any person, firm, copartnership, corporation, or association owns or controls such a proportion of any dutiable product as to enable such person, firm, copartnership, corporation, or association to control production, prices, or wages in the United States or to control the price of such product in any foreign market. In making such investigations the commission shall give notice thereof in writing to such person, firm, copartnership, corporation, or association and afford an opportunity for the parties to present testimony and to be heard in person or by counsel.

SEC. 6. That said commission shall make annual reports to Congress of its investigations and recommendations and such special reports as it may deem advisable. Said reports shall be printed as public documents. The annual report shall be published and ready for distribution on the first Monday of December of each year. Upon demand of either House of Congress, the commission shall make a report of all testimony and information upon which its reports are based.

SEC. 7. That there is hereby appropriated for the fiscal year ending June thirtieth, nineteen hundred and twelve, for the purposes of this act, from any moneys in the Treasury not otherwise appropriated, three hundred thousand dollars: *Provided*, That so much thereof as may be necessary shall become immediately available upon qualification by members of the commission.

SEC. 8. That all acts or parts of acts in conflict with the provisions of this act are hereby repealed.







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